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Form DFAN14A
September 09, 2002

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SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant []
Filed by a Party other than the Registrant [X]

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

NORTHFIELD LABORATORIES INC.

(Name of Registrant as Specified in its Charter)

C. ROBERT COATES

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- \$125 per Exchange Act Rules 0-11(c)(1)(ii), 14a-6(i)(1), 14a-6(i)(2) or Item 22(a)(2) of Schedule 14A.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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 - 2) Form, Schedule or Registration Statement No.:
 - 3) Filing Party: C. Robert Coates
 - 4) Date Filed: September 09, 2002

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MISLEADING OR INCOMPLETE STATEMENTS BY NORTHFIELD

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Page	Statement in ISS Document	Key Point(s)
7	<p>"In August 2001, Mr. Coates filed an action against the company and its directors alleging that the company inequitably advanced the 2001 annual meeting from Oct. 11, 2001 to Aug. 31, 2001 for the purposes of preventing Mr. Coates from waging an effective proxy contest. The company stated that the proxy statement with respect to the Aug. 31, 2001 meeting date was mailed to shareholders prior to the date Mr. Coates filed his lawsuit and notified the company of his intention to nominate two of his candidates to the board. According to the company, it had not received any prior communication from Mr. Coates indicating his intention to nominate directors to the board. On the same day, Mr. Coates withdrew his lawsuit."</p>	<ul style="list-style-type: none">* On August 3, 2001 Northfield announces that it will host its Annual Meeting on August 31, 2001 giving shareholders less than 30 days notice of the meeting. For the years 2000, 1999, 1998 and 1997, the meeting dates had been October 12, October 28, September 28 and October 17 respectively.* The company files its proxy statement with the SEC on August 3, 2001. The company knows that it has not complied with the agreement it reached with Mr. Coates as a condition to his not running a proxy contest in 2000.* On August 10, 2001 Mr. Coates files an action against Northfield and its directors. The suit alleges that the defendants inequitably advanced the 2001 annual meeting from October 11, 2001, the date Northfield had identified as the expected meeting date, to August 31, 2001 for the purposes of preventing Mr. Coates from waging an effective proxy contest. The lawsuit also mentions "the lack of information stockholders and the investing public have about Northfield" - issues that Northfield had promised to rectify, as captured in a Northfield press release, one year earlier.* The judge denies Northfield's motion to dismiss Mr. Coates' suit and agrees to hear the suit on the day before the scheduled annual meeting.* On August 16, 2001 Northfield announces that it had completed preparation of all its Biologics License Application (BLA) components, including collection and analysis of its clinical trial data for PolyHeme. Neither Northfield's August 3, 2001 press release nor its August 3, 2001 Proxy Statement mentioned Northfield's plan to file the BLA.* On August 17, 2001 upon learning of Northfield's plan to file its BLA Mr. Coates withdraws his

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lawsuit. The prepared 14A Proxy Statement is not filed and NO VOTES ARE SOLICITED. Mr. Coates wishes to be constructive, not disruptive to the FDA filing process by Northfield Laboratories.

Page 11 "Contrary to Mr. Coates' contention that the company filed a deficient BLA for PolyHeme, management asserts that the strength of the data justified the BLA submission."

* The "strength of the data" is a subjective statement; the FDA only issues a 'Refusal-To-File' (RTF) when simple, well known and required components of an application are missing

* The company states in its 2002 annual report (page 3) that it submitted its BLA to the FDA "seeking approval to market PolyHeme for use in the treatment of urgent, life-threatening blood loss", but according to a 10/11/01 news release from Northfield their study indicates that PolyHeme was used to treat patients with severe blood loss who refused blood transfusion, and was compared to 'historical' data in which such patients generally died.

* The purpose of an RTF is not to provide an opinion on the safety and efficacy of the product

* Would the FDA be discussing "strength of data" prior to resolving missing components of an application?

* Can you say that the "strength of data justified" the submission without knowing if the manufacturing processes were acceptable to the FDA?

* An RTF means that the BLA was in fact not filed; if the BLA was not filed, why did the company issue \$560,000 in bonuses "in recognition of the Company filing a Biologics License Application ("BLA") with the FDA for PolyHeme (10Q, October 15, 2001)?"

Page 11 "In the meantime, management notes that the company has \$18.4 million in available cash to support the company's on-going operations for at least the next 18 months. Furthermore,

* The company had \$18.4 million left as of May 31, 2002. It has substantially less than \$18.4 million in cash left as of August 30, 2002

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management believes that subsequent to getting FDA approval for PolyHeme, the company will be in a stronger position to accomplish its following goals:

- Raise additional capital for the company
- Secure a pharmaceutical partner and
- Enhance the company's profile in the scientific and investment communities."

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"Management adds that although Dr. Ness is already a consultant to the company, if elected to the board, he would be able to share his expertise with all members of the board by participating in regular board meetings."

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- * What did Northfield get from Dr. Ness in fiscal year 2002 for the \$80,000 it paid him?
 - * Did his 2002 involvement with Northfield not include meetings to share some of his expertise with the directors?
 - * If he makes it on the board, and can presumably share his expertise with all members, why does he need to remain a consultant as laid out in the 2002 proxy? ("Dr. Ness has provided consulting services to Northfield relating to FDA regulatory matters and the sourcing of red blood cells from major blood banking organizations. Northfield expects to enter into an agreement with Dr. Ness under which he will agree to continue to provide such services to Northfield.")

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Contrary to Mr. Coates' contention, management proclaims that the Nominating Committee carefully considered both Mr. Coates and Mr. Williams as director nominees and found them seriously lacking in the qualifications that merit nomination to the board.

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- * The members of the nominating committee are themselves candidates for election this year
 - * Messrs. Chelberg and Savner talked to Mr. Coates but declined to discuss his qualifications because "something happened" several days prior to the call; that something turned out to be DeWoskin's resignation
 - * Mr. Gould refused to accept an offer to have Mr. Williams fly up at his own expense and meet with the Nominating Committee.
 - * On May 15, 2002 Coates and

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Williams sent a letter to Northfield requesting a meeting with the board; Northfield responded on May 21 suggesting a July 11, 2002 meeting to coincide with their regularly scheduled board meeting

- * On June 10, 2002 Coates sent a letter to Northfield stating his preference to meet with the board earlier rather than later and proposed a meeting "within the next two weeks"; Northfield responded that the board could not meet with Coates and Williams prior to July 11
- * On July 3, 2002 Northfield sent a letter stating that it had postponed its July 11 meeting and that they had "recently established a nominating committee"; the letter provided Messrs. Chelberg's and Savner's phone numbers and suggested that Mr. Coates call them to discuss his nominations
- * It would appear that the nominating committee was established well after Messrs. Coates and Williams announced their candidacy for the board of directors
- * On July 9, 2002 Mr. Coates sends a letter to Mr. David Savner stating that the bylaws of Northfield allow for up to nine directors and that the current members of the board could invite Coates and Williams to join the board immediately
- * The July 9, 2002 letter also stated that it seemed "that the board has changed its mind about my meeting with the nominating committee regarding" Mr. Coates credentials; in addition, the letter states that "even though" Savner has "indicated that neither" him "nor the board will be able to talk to me over the next `thirty to forty days', I will still make myself available to meet or talk to any or all of the directors at any time."
- * On July 24, 2002 Northfield sent a letter stating "that the

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Nominating Committee of the Board of Directors of Northfield Laboratories Inc., after carefully considering the director nominations you recently submitted, has recommended to the Board of Directors that your nominees not be included in the individuals nominated by the Board for election as directors at Northfield's 2002 Annual Meeting of Stockholders."

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"Management's approach is to achieve FDA approval for PolyHeme first, and then raise additional capital, secure a pharmaceutical partner, and enhance PolyHeme's profile."

* The FDA has not accepted Northfield's BLA yet

* It takes, on average, approximately 18 months to get a product approved at the FDA from the time the BLA is accepted

* The company had \$18.4 million left as of May 31, 2002

* Net cash used in operating activities for fiscal year 2002 was \$10,103,579

* The company has less than \$18.4 million in cash left as of August 30, 2002

* Seeking FDA approval prior to raising additional capital is a risky proposition since the BLA has not been re-filed yet and thus the 18 month approval process at the FDA has not begun yet

* If the review process takes 18 months or more, Northfield will run out of cash

* Most important, given Northfield's RTF and the recent resignation of their CEO, there is no reason to believe Northfield can ever gain FDA approval on its own.

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"After Mr. DeWoskin resigned as CEO, the company retained him as a consultant particularly due to his expertise in the manufacturing side of PolyHeme."

* Was he fired or did he resign?

* If you resign are you given a "severance package?"

* What expertise do Marc D. Doubleday, VP of Process Engineering, and Robert McGinnis, VP of Manufacturing Development, bring to Northfield?

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"After Mr. DeWoskin resigned as CEO, the company retained him as a consultant particularly due to his expertise in the manufacturing side of PolyHeme. Ultimately, Mr. DeWoskin's severance package has been transformed into a consulting agreement. In lieu of the severance payment, Mr. DeWoskin will receive a monthly consulting fee of \$26,962 until Dec. 31, 2004, which amounts to a total of \$647,088. Mr. DeWoskin's annual salary and bonus as CEO in fiscal 2002 was a total of \$420,549. According to management, Mr. DeWoskin's severance package already entitles him to two times salary plus benefits, or at least \$841,098."

* DeWoskin's salary in 2002 was \$281,525
* DeWoskin's benefits in 2002 were \$27,306
* Two times \$308,831 is \$617,662. It is certainly not \$841,098.
* DeWoskin's consulting agreement can be "extended by mutual agreement of the parties"

IMPLIED STATEMENTS IN THE DOCUMENT

- * Northfield's comments to ISS implies that the election is an either/or choice. The reality is that Northfield can nominate and elect Bob Coates and Bert Williams without displacing all incumbent directors and thus giving Northfield enough votes to add Messrs. Bierbaum and Dr. Ness to the Northfield board.

MISSING STATEMENTS REGARDING NORTHFIELD

- * There was no mention of Mr. Olshansky's problems with the SEC
- * There was no mention of the fact that two nominees (Messrs. Chelberg and Bierbaum) with affiliations to PepsiAmericas, Inc., which owns 10.5% of the outstanding shares, would control 28.6% of the board of directors
- * There is no mention of DeWoskin's comments to TheStreet.com and The Chicago Tribune regarding manufacturing issues. DeWoskin's comments directly contradict those of Gould. For example, The Chicago Tribune published the following statement: "Northfield Chief Executive Richard DeWoskin says the application process is not the issue. He says the FDA's problems with the application are focused on certain manufacturing processes and 'chemistries' the company plans to use in the production of Polyheme."
- * There is no mention of the words "RTF" or "Refusal-To-File" - a huge issue for anyone seeking FDA approval for their product..and further proof that management is probably incompetent.