

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person* WELCH STEPHEN		2. Issuer Name and Ticker or Trading Symbol TODD SHIPYARDS CORP TOD		5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) <u>Chief Executive Officer</u>						
(Last) P O BOX 3806	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 6/1/2006							
(Street) SEATTLE WA 98124		4. If Amendment, Date Original Filed (Month/Day/Year)		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person						
(City)	(State)	(Zip)	Table I -- Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned							
1. Title of Security (Instr. 3)	2. Trans- action Date (Month/ Day/ Year)	2A. Deemed Execution Date, if any (Month/ Day/ Year)	3. Trans- action Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Owner- ship Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Owner- ship (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Todd Shipyards Corporation Common (TOD)								41,225	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

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FORM 4 (continued)

Table II -- Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Non-Qualified Stock Option	\$6.55	6/1/2006		M			50,000	2/7/2002	2/7/2011	Common	50,000	\$0.0	0.0	D	
(right to buy)															
Non-Qualified Stock Option	\$6.55	6/1/2006		M			160,000	2/7/2004	2/7/2011	Common	160,000	\$0.0	0.0	D	
(right to buy)								(1)							
Non-Qualified Stock Option	\$5.75	6/1/2006		M		74,708		2/7/2002	2/7/2011	Common	74,708	\$0.0	74,708	D	
(right to buy)															
Non-Qualified Stock Option	\$5.75	6/1/2006		M		164,358		2/7/2004	2/7/2011	Common	164,358	\$0.0	239,066	D	
(right to buy)								(1)							

Explanation of Responses:

See attached "FOOTNOTES" and "REMARKS" pages.

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations.
See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Stephen G Welch
** Signature of Reporting Person

6/6/2006
Date

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- 1 These options and puts became exercisable in monthly installments of 6,667 shares commencing on March 7, 2002, with a final installment of 6,659 shares becoming exercisable on February 7, 2004. Unexercised options lapse and expire upon termination of employment subject to certain grace periods applicable to vested options in the event of death or disability.

The transaction reported herein reflects the adjustment (as to number of shares and as to exercise price) of the option(s) previously granted to the Reporting Person * such adjustment having been approved by the shareholders of the Company at a special meeting on May 23, 2006 in connection with the Company's declaration and payment of an extraordinary cash dividend in the amount of \$4.00 per share.