

# 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 <b>and</b> Ticker or Trading Symbol TODD SHIPYARDS CORP <span style="float:right">TOD</span>		5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <span style="float:right">_____ 10% Owner</span> <input checked="" type="checkbox"/> Officer (give title below) <span style="float:right">_____ Other (specify below)</span> <span style="float:right">Chief Executive Officer</span>	
(Last) P O BOX 3806	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 7/1/2009		
(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 ____ Form filed by More than One Reporting Person	
(City)	(State)	(Zip)	<b>Table I -- Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned</b>		

1. Title of Security (Instr. 3)	2. Transaction Date  (Month/Day/Year)	2A. Deemed Execution Date, if any  (Month/Day/Year)	3. Transaction 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. Ownership Form: Direct (D) or Indirect (I)  (Instr. 4)	7. Nature of Indirect Beneficial Ownership  (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Todd Shipyards Corp Common Stock								11,253	I	Held in Todd
										401(k) savings plan
Todd Shipyards Corp Common Stock	7/6/2009		M		1,000	A	(1)	137,545	D	
Todd Shipyards Corp Common Stock	7/1/2009		M		1,200	A	(1)	138,745	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).

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474 (9-02)

**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)
								Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
				Code	V	(A)	(D)								
Todd stock appreciation rights	\$21.02 (2)							(3)	(4)	Common Stock	10,000		10,000	D	
Todd restricted stock units	(5)	7/1/2009		M			1,200	(6)	(7)	Common Stock	4,800	(8)	4,800	D	
Todd stock appreciation rights	\$14.48 (9)							(10)	(4)	Common Stock	10,000		10,000	D	
Todd restricted stock units	(5)	7/6/2009		M			1,000	(11)	(12)	Common Stock	1,000	(8)	3,000	D	
Todd stock appreciation rights	\$16.98 (13)							(14)	(4)	Common Stock	10,000		10,000	D	
Todd restricted stock units	(5)							(15)	(16)	Common Stock	6,000		6,000	D	

Explanation of Responses:

See attached "FOOTNOTES" page.

\*\* 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

7/6/2009  
Date

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- 1 Received upon vesting/conversion of restricted stock units previously awarded under Incentive Stock Plan. No consideration was paid to Todd either at time of award or at time of conversion.
- 2 Upon exercise of the SARs, the holder is entitled to receive value equal to the number of rights being exercised times the then current fair market value reduced by \$21.02, the fair market value on date of grant. Such value will be paid, net of withholding taxes, in shares of Todd Common Stock.
- 3 The SARs vest as to 3,333 units on each July 6 commencing in 2008 (through 2010).
- 4 Upon certain termination events, earlier as to non-vested units.
- 5 Each RSU represents the right to receive one share of Todd Common Stock, subject to adjustment as provided in the grant agreement.
- 6 The RSUs vest and convert to Todd Common Stock as to 1200 units on each July 1 commencing in 2009 (through 2013).
- 7 By virtue of vesting, the RSUs will expire on July 1, 2013 or, as to non-vested units, upon certain termination events.
- 8 Granted under the Todd Shipyards Incentive Stock Plan.
- 9 Upon exercise of the SARs, the holder is entitled to receive value equal to the number of rights being exercised times the then current fair market value reduced by \$14.48, the fair market value on date of grant. Such value will be paid, net of withholding taxes, in shares of Todd Common Stock.
- 10 The SARs vest as to 3,333 units on each July 1 commencing in 2009 (through 2011).
- 11 The RSUs vest and convert to Todd Common Stock as to 1000 units on each July 6 commencing in 2008 (through 2012).
- 12 By virtue of vesting, the RSUs will expire on July 6, 2012 or, as to non-vested units, upon certain termination events.
- 13 Upon exercise of the SARs, the holder is entitled to receive value equal to the number of rights being exercised times the then current fair market value reduced by \$16.98, the fair market value on date of grant. Such value will be paid, net of withholding taxes, in shares of Todd Common Stock.
- 14 The SARs vest as to 3,333 units on each July 1 commencing in 2010 (through 2012).
- 15 The RSUs vest and convert to Todd Common Stock as to 1200 units on each July 1 commencing in 2010 (through 2014).
- 16 By virtue of vesting, the RSUs will expire on July 1, 2014 or, as to non-vested units, upon certain termination events.