

SECURITIES AND EXCHANGE COMMISSION

FORM DEFA14A

Additional definitive proxy soliciting materials and Rule 14(a)(12) material

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FILER

AVONDALE INDUSTRIES INC

CIK: **829444** | IRS No.: **391097012** | State of Incorpor.: **LA** | Fiscal Year End: **1231**
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SIC: **3730** Ship & boat building & repairing

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SCHEDULE 14A

Information Required in Proxy Statement

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

Filed by the Registrant [X]

Filed by a Party other than the Registrant []

Check the appropriate box:

[] Preliminary Proxy Statement

[] Definitive Proxy Statement

[X] Definitive Additional Materials

[] Soliciting Material Pursuant to Section 240.14a-11(c) or
Section 240.14a-12

Avondale Industries, Inc.

(Name of Registrant as Specified In Its Charter)

Board of Directors of Avondale Industries, Inc.

(Name of Person(s) Filing Proxy Statement)

Payment of Filing Fee (Check the appropriate box):

[X]* \$125 per Exchange Act Rules 0-11(c)(1)(ii), 14a-6(i)(1), or
14a-6(j)(2). *previously paid

[] \$500 per each party to the controversy pursuant to Exchange
Act Rule 14a-6(i)(3).

[] Fee computed on table below per Exchange Act Rules 14a-
6(i)(4) and 0-11.

1) Title of each class of securities to which transaction
applies:

2) Aggregate number of securities to which transaction
applies:

3) Per unit price or other underlying value of transaction
computed pursuant to Exchange Act Rule 0-11:<FN1>

4) Proposed maximum aggregate value of transaction:

<FN1> Set forth the amount on which the filing fee is calculated
and state how it was determined.

[] Check box if any part of the fee is offset as provided by
Exchange Act Rule 0-11(a)(2) and identify the filing for which
the offsetting fee was paid previously. Identify the previous

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- 1) Amount Previously Paid:
- 2) Form, Schedule or Registration Statement No.:
- 3) Filing Party:
- 4) Date Filed:

[AVONDALE LETTERHEAD]

April 20, 1994

Dear Fellow Employee,

As you may be aware, the union has proposed a list of issues to be voted on by the shareholders at the annual shareholders meeting on May 6, 1994.

I wanted to be sure you received the Company's position statement opposing these proposals. The Company urges you to vote AGAINST those proposals and FOR the two nominees for director. Enclosed is a copy of the Company's position on the initiatives and sample voting instructions showing how to vote against the proposals and for the two directors.

Sincerely,

/s/ Al Bossier

Enclosure

[AVONDALE LETTERHEAD]

April 19, 1994

Dear ESOP Participant:

Proxy solicitation material from a group calling itself the "Avondale Shareholder Committee" has recently been filed with the Securities and Exchange Commission proposing advisory shareholder votes asking the Company's Board of Directors to consider changes to the Company's corporate governance structure.

You need to appreciate that this so-called "committee" is controlled by union organizers who your Company's Board of Directors and management believe are motivated not by legitimate stockholder interests but rather by the desire to advance union-related goals that are harmful to the interests of the Company's stockholders and employees. Your Company's Board of Directors and management strongly urge you NOT to vote in favor of any proposal advanced by this committee. We ask you to sign, date and return any voting instruction form you may receive with a vote AGAINST each of the committee proposals and FOR the two nominees for director.

We have noted that included among the members of the committee are the United Brotherhood of Carpenters and Joiners of America ("Union") and John Meese, president of the Metal Trades Department, AFL-CIO. The Union, which is an affiliate of the Metal Trades Department, and Mr. Meese became stockholders of record of the Company on April 1, 1994, two business days prior to the record date for the meeting, when they purchased a total of 150 shares of the Company's common stock. We also have noted that the committee's proxy card has named in addition to Mr. Meese, Ed Durkin (director of special programs for the Union) and Phil Miller, a local union organizer, each of whom is a full-time union professional and neither of whom are stockholders, as the proxy holders for the annual meeting. It is our belief that this amounts to undeniable evidence that the committee is union controlled.

In June 1993, an election was conducted to determine whether certain of the Company's main shipyard's employees desired to be represented by the Metal Trades Department of the AFL-CIO. The National Labor Relations Board is in the process of determining the final outcome of the election.

The Company has opposed the unionization of the workforce at the main shipyard because the Board of Directors and management believes unionization is not in the best interests of the Company's employees or stockholders. The Company's Board of Directors and management believe that the goals of the union, through the committee, in conducting its proxy solicitation are to attempt to discredit the Company's management and to attempt to weaken the Company's resolve in opposing the unionization of certain of its employees. The Company is just one of many

companies that have recently been the target of this union tactic of fostering proxy contests, which the Company's Board of Directors and management believe is an inappropriate way to address labor matters.

The Company is currently the only major non-union shipyard in the United States. The Company's Board of Directors and management believe that the Company's competitive advantage is due in part to its non-union status and that to give in to union pressure would be detrimental to stockholders' interests.

The year 1993 marked a significant turning point for the Company as its stock price more than tripled. In addition, during 1993 the Company successfully secured shipbuilding contracts that increased its backlog from a low during the year of approximately \$495 million to over \$2.2 billion (with options) at year end, an increase of over 400%. The Company also successfully negotiated with the U.S. Navy a \$145 million settlement of the Company's previously submitted Requests for Equitable Adjustment with respect to those contracts that were a major reason for the Company's losses in recent years, and reduced its indebtedness over the past 18 months by approximately \$82 million. These actions substantially strengthened the Company's financial condition and positioned the Company to take advantage of future business opportunities.

The same management that the committee has charged with "mismanagement" is responsible for the positive developments in 1993 that will benefit the stockholders and employees in the years ahead. Actions taken by the Company's management will enable the Company to continue to sustain employment at relatively high levels, as the Company was able to do during the difficult period in the late 1980s and early 1990s when many other companies were dramatically downsizing their workforce or going out of business entirely. The Company encourages you to read the Company's 1993 Annual Report, which contains information regarding the achievements of the Company's management and the Company's prospects.

The Company's Board of Directors is fully informed regarding the ongoing debate over the appropriate structure of the governance of American corporations. The Board continually evaluates these concerns in fulfilling its obligation to manage the Company in the best interests of its stockholders.

The Company's employees and management have worked very hard to return the Company to profitability and the prospects for a profitable future are bright. The Company does not believe it is in the stockholders' or employees' best interests to disrupt the Company's turnaround at the very time when both the stockholders and employees are on the verge of reaping the rewards of these

efforts.

Once again, we urge you to sign, date and return any voting instruction form you may receive with a vote AGAINST each of the committee proposals and FOR the two nominees for director.

Sincerely,

THE BOARD OF DIRECTORS OF
AVONDALE INDUSTRIES, INC.

By:

Albert L. Bossier, Jr.
Chairman, President &
Chief Executive Officer

SAMPLE VOTING INSTRUCTIONS

Election of Directors:

FOR both nominees listed below (except as marked to the contrary below) WITHHOLD AUTHORITY to vote for both nominees listed below

INSTRUCTIONS: To withhold authority to vote for either nominee, strike a line through the nominee's name listed below.

Albert L. Bossier, Jr.

Hugh A. Thompson

COMMITTEE PROPOSALS

- | | | | |
|---|------------------------------|---|----------------------------------|
| 1. Independent Board Resolution | <input type="checkbox"/> FOR | <input checked="" type="checkbox"/> AGAINST | <input type="checkbox"/> ABSTAIN |
| 2. Nominating Committee Resolution | <input type="checkbox"/> FOR | <input checked="" type="checkbox"/> AGAINST | <input type="checkbox"/> ABSTAIN |
| 3. Confidential Proxy Voting Resolution | <input type="checkbox"/> FOR | <input checked="" type="checkbox"/> AGAINST | <input type="checkbox"/> ABSTAIN |

4. Board of Directors Declassification Resolution
[] FOR [X] AGAINST [] ABSTAIN
5. Cumulative Voting Resolution
[] FOR [X] AGAINST [] ABSTAIN
6. Reconstitution of Compensation Committee Resolution
[] FOR [X] AGAINST [] ABSTAIN

Date: , 1994

Signature of Shareholder

Additional Signature, if held jointly

PLEASE SIGN EXACTLY AS NAME APPEARS HEREON.