

DAWSON MARINE SERVICES CO

Form S-4

July 21, 2011

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As filed with the Securities and Exchange Commission on July 21, 2011

No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Great Lakes Dredge & Dock Corporation

Additional Registrants Listed on Schedule A Hereto

(Exact name of registrant as specified in its charter)

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(State or other jurisdiction of
incorporation or organization) (Primary Standard Industrial
Classification Code Number) (I.R.S. Employer
Identification No.)
2122 York Road

Oak Brook, IL 60523

(630) 574-3000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Bruce J. Biemeck

President and Chief Financial Officer

2122 York Road

Oak Brook, IL 60523

(630) 574-3000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Ross D. Emmerman, Esq.

Neal, Gerber & Eisenberg LLP

2 North LaSalle Street

Chicago, IL 60602

(312) 269-8000

Approximate date of commencement of proposed sale of the securities to the public:

The exchange will occur as soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box: "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
 Non-Accelerated filer (Do not check if a smaller reporting company) Smaller reporting Company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
7.375% Senior Notes due 2019	\$250,000,000	\$250,000,000	\$29,025.00
Guarantees of 7.375% Senior Notes due 2019	\$250,000,000		(2)

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) promulgated under the Securities Act.

(2) Pursuant to Rule 457(n), no additional registration fee is payable with respect to the guarantees.

The registrant hereby amends this Registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Exact Name of	Jurisdiction of Incorporation or Formation	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification Number
Additional Registrants			
Great Lakes Dredge & Dock Company, LLC	Delaware	1600	20-1354414
Dawson Marine Services Company	Delaware	1600	36-3503893
Great Lakes Caribbean Dredging, Inc.	Delaware	1600	36-4347352
NASDI Holdings Corporation	Delaware	1600	04-2598486
Fifty-Three Dredging Corporation	New Jersey	1600	36-3177787
NASDI, LLC	Delaware	1600	38-3779500

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. The prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated July 21, 2011

Prospectus

\$250,000,000

GREAT LAKES DREDGE & DOCK CORPORATION

Exchange Offer For 7.375% Senior Notes Due 2019

We hereby offer, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal (which together constitute the exchange offer), to exchange up to \$250,000,000 aggregate principal amount of our 7.375% Senior Notes due 2019, and the guarantees thereof, which have been registered under the Securities Act of 1933, as amended, which we refer to as the exchange notes, for an equal aggregate principal amount of our currently outstanding 7.375% Senior Notes due 2019, and the guarantees thereof, that were issued on January 28, 2011, which we refer to as the old notes. We refer to the old notes and the exchange notes collectively as the notes.

**THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON
, 2011, UNLESS EXTENDED.**

The material terms of the exchange offer are summarized below and are more fully described in this prospectus.

Material Terms of the Exchange Offer

The terms of the exchange notes are substantially identical to those of the old notes except that the exchange notes are registered under the Securities Act of 1933, as amended, and the transfer restrictions, registration rights and rights to special interest applicable to the old notes do not apply to the exchange notes.

We will exchange all old notes that are validly tendered and not withdrawn prior to the expiration of the exchange offer.

You may withdraw tenders of old notes at any time prior to the expiration of the exchange offer.

We will not receive any proceeds from the exchange offer.

The exchange of notes should not be a taxable event for U.S. federal income tax purposes.

There is no public market for the exchange notes. We have not applied, and do not intend to apply, for listing of the exchange notes on any national securities exchange or automated quotation system.

For a discussion of the specific risks that you should consider before tendering your outstanding old notes in the exchange offer, see Risk Factors beginning on page 8 of this prospectus.

There is no established trading market for the old notes or the exchange notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the exchange notes or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2011.

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Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. This prospectus, as amended or supplemented, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for old notes that were acquired by such broker-dealer as a result of market-making or other trading activities. We have agreed that for a period of 180 days after the expiration of the exchange offer, we will make this prospectus available to any broker-dealer for use in connection with any such resales. See Plan of Distribution.

We have not authorized any person to give you any information or to make any representations about the exchange offer other than those contained in this prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information or representations that others may give you. This prospectus is not an offer to sell or a solicitation of an offer to buy any securities other than the securities to which it relates. In addition, this prospectus is not an offer to sell or the solicitation of an offer to buy those securities in any jurisdiction in which the offer or solicitation is not authorized, or in which the person making the offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation. The delivery of this prospectus and any exchange made under this prospectus do not, under any circumstances, mean that there has not been any change in the affairs of Great Lakes Dredge & Dock Corporation or its subsidiaries since the date of this prospectus or that information contained in this prospectus is correct as of any time subsequent to its date.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC under the Securities Exchange Act of 1934, as amended (the Exchange Act). We have also filed with the SEC a registration statement on Form S-4, which you can access on the SEC's Internet site at <http://www.sec.gov>, to register the exchange notes. This prospectus, which forms part of the registration statement, does not contain all of the information included in that registration statement. For further information about us and the exchange notes offered in this prospectus, you should refer to the registration statement and its exhibits. You may read and copy any materials we file with the SEC at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for more information about the operation of the Public Reference Room. The SEC also maintains an Internet site at <http://www.sec.gov> that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. You may also obtain certain of these documents on our Internet site at <http://www.gldd.com>. Our web site and the information contained on that site, or connected to that site, are not incorporated into and are not a part of this prospectus.

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You can obtain any of the documents incorporated by reference into this prospectus from the SEC's web site at the address described above. You may also request a copy of these filings, at no cost, by writing or telephoning to the address and telephone set forth below. We will provide, without charge, upon written or oral request, copies of any or all of the documents incorporated by reference into this prospectus (excluding exhibits to such documents unless such exhibits are specifically incorporated by reference therein). You should direct requests for documents to: Great Lakes Dredge & Dock Corporation, 2122 York Road, Oak Brook, Illinois 60523, Attn: Chief Legal Officer, telephone number (630) 574-3000.

In order to obtain timely delivery of any copies of filings requested, please write or call us no later than _____, 2011, which is five business days before the expiration date of the exchange offer.

CAUTIONARY DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus may constitute forward-looking statements as defined in Section 27A of the Securities Act of 1933, as amended, referred to in this prospectus as the Securities Act, Section 21E of the Exchange Act, the Private Securities Litigation Reform Act of 1995, referred to in this prospectus as the PSLRA, or in releases made by the Commission, all as may be amended from time to time. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements and/or of our subsidiaries, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Statements that are not historical fact are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking language, such as the words plan, believe, expect, anticipate, intend, estimate, project, may, would, could, should, seeks, or scheduled to, or other similar words, or the terms or other variations of these terms or comparable language, or by discussion of strategy or intentions. These cautionary statements are being made pursuant to the Securities Act, the Exchange Act and the PSLRA with the intention of obtaining the benefits of the safe harbor provisions of such laws. We caution investors that any forward-looking statements made by us are not guarantees or indicative of future performance. Important assumptions and other important factors that could cause actual results to differ materially from those forward-looking statements with respect to us and our business, include, but are not limited to, risks and uncertainties that are described under the heading Risk Factors beginning on page 8 and in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2010, in our quarterly reports on Form 10-Q and in our other securities filings with the SEC.

Although we believe that our plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, actual results could differ materially from a projection or assumption in any forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties. The forward-looking statements contained in this prospectus are made only as of the date hereof and we do not have or undertake any obligation to update or revise any forward-looking statements whether as a result of new information, subsequent events or otherwise, unless otherwise required by law.

MARKET AND INDUSTRY DATA

This prospectus contains statistical data that we obtained from public industry publications. These publications generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. Although we believe that the publications are reliable, we and the initial purchasers have not independently verified market industry data provided by third parties, and we and the initial purchasers take no further responsibility for this data. Similarly, while we believe our management's estimates with respect to our industry are reliable, our estimates have not been verified by any independent sources, and we and the initial purchasers cannot assure you that they are accurate.

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PROSPECTUS SUMMARY

In this prospectus, the words Great Lakes, we, us, our, and the Company refer to Great Lakes Dredge & Dock Corporation, the issuer of the exchange notes, and its subsidiaries. The following summary contains basic information about the Company and this exchange offer. It is not complete and may not contain all the information that may be important to you. You should carefully read the entire prospectus and the documents incorporated by reference, before making an investment decision, especially the information presented under the heading Risk Factors, our financial statements, the notes to those financial statements and the other financial information, included elsewhere in this prospectus.

Our Company

We are the largest provider of dredging services in the United States and the only U.S. dredging service provider with significant international operations. Dredging generally involves the enhancement or preservation of navigability of waterways or the protection of shorelines through the removal or replenishment of soil, sand or rock. We now provide dredging services in the East, West and Gulf Coasts of the United States and worldwide. We also own NASDI, LLC, a demolition services provider located in the Boston, Massachusetts area. On December 31, 2010 we acquired substantially all the assets of L.W. Matteson, Inc., a maintenance and environmental dredging and levee construction company located in Burlington, Iowa. The Matteson acquisition expands our service offering into inland, river, lakes and environmental dredging and levee construction using dredged material.

Corporate Information

Great Lakes Dredge & Dock Corporation is a holding company that conducts substantially all of its domestic dredging operations through Great Lakes Dredge & Dock Company, LLC and its demolition operations through NASDI, LLC and Yankee Environmental Services, LLC. All of our international operations are conducted through direct and indirect wholly-owned subsidiaries. Our principal executive offices are located at 2122 York Road, Oak Brook, IL 60523 and our telephone number at that address is (630) 574-3000. Our principal website is located at <http://www.glidd.com>. The information on our website is not part of this prospectus.

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The Exchange Offer

On January 28, 2011, we sold, through a private placement exempt from the registration requirements of the Securities Act, \$250,000,000 of our 7.375% Senior Notes due 2019, all of which are eligible to be exchanged for exchange notes. We refer to these notes as "old notes" in this prospectus.

Simultaneously with the private placement, we entered into a registration rights agreement with the initial purchasers of the old notes (the "Registration Rights Agreement"). Under the Registration Rights Agreement, we are required to use our reasonable best efforts to cause a registration statement for substantially identical notes, which will be issued in exchange for the old notes, to be filed with the Securities and Exchange Commission ("SEC") and to complete the exchange offer within 365 days after the issue date of the old notes. We refer to the notes to be registered under this exchange offer registration statement as "exchange notes" and collectively with the old notes, we refer to them as the "notes" in this prospectus. You may exchange your old notes for exchange notes in this exchange offer. You should read the discussion under the headings "Summary of Exchange Offer," "Exchange Offer" and "Description of Exchange Notes" for further information regarding the exchange notes.

Original Notes \$250,000,000 in aggregate principal amount of 7.375% Senior Notes due 2019.

Exchange Notes \$250,000,000 in aggregate principal amount of 7.375% Senior Notes due 2019, the issuance of which will be registered under the Securities Act.

Exchange Offer We are offering to exchange the old notes for a like principal amount at maturity of the exchange notes. Old notes may be exchanged only in minimum denominations of \$2,000 and integral principal multiples of \$1,000 in excess thereof. The exchange offer is being made pursuant to the Registration Rights Agreement which grants the initial purchasers and any subsequent holders of the old notes certain exchange and registration rights. This exchange offer is intended to satisfy those exchange and registration rights with respect to the old notes. After the exchange offer is complete, you will no longer be entitled to any exchange or registration rights with respect to your old notes.

Expiration Date; Withdrawal of Tender The exchange offer will expire 5:00 p.m., New York City time, on _____, 2011, or a later time if we choose to extend this exchange offer in our sole and absolute discretion. You may withdraw your tender of old notes at any time prior to the expiration date. All outstanding old notes that are validly tendered and not validly withdrawn will be exchanged. Any old notes not accepted by us for exchange for any reason will be returned to you at our expense as promptly as possible after the expiration or termination of the exchange offer.

Accrued Interest on the Exchange Notes and the Old Notes The exchange notes will bear interest from August 1, 2011. Holders of old notes that are accepted for exchange will be deemed to have waived the right to receive any payment in respect of interest on such old notes accrued to the date of issuance of the exchange notes.

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Conditions on the Exchange Offer

Our obligation to accept for exchange, or to issue the exchange notes in exchange for, any old notes is subject to certain customary conditions, including our determination that the exchange offer does not violate any law, statute, rule, regulation or interpretation by the Staff of the SEC or any regulatory authority or other foreign, federal, state or local government agency or court of competent jurisdiction, some of which may be waived by us. We currently expect that each of the conditions will be satisfied and that no waivers will be necessary. See Exchange Offer Conditions on the Exchange Offer.

Procedures for Tendering Old Notes held in the Form of Book-Entry Interests

The old notes were issued as global securities and were deposited upon issuance with Wells Fargo Bank, National Association, as custodian for The Depository Trust Company (DTC).

Beneficial interests in the outstanding old notes, which are held by direct or indirect participants in DTC, are shown on, and transfers of the old notes can only be made through, records maintained in book-entry form by DTC.

You may tender your outstanding old notes by instructing your broker or bank where you keep the old notes to tender them for you. In some cases you may be asked to submit the letter of transmittal that may accompany this prospectus. By tendering your old notes you will be deemed to have acknowledged and agreed to be bound by the terms set forth under Exchange Offer. Your outstanding old notes must be tendered in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

In order for your tender to be considered valid, the exchange agent must receive a confirmation of book-entry transfer of your outstanding old notes into the exchange agent s account at DTC, under the procedure described in this prospectus under the heading Exchange Offer, on or before 5:00 p.m., New York City time, on the expiration date of the exchange offer.

United States Federal Income Tax Considerations

The exchange offer should not result in any income, gain or loss to the holders of old notes or to us for United States federal income tax purposes. See Certain United States Federal Income Tax Considerations.

Use of Proceeds

We will not receive any proceeds from the issuance of the exchange notes in the exchange offer.

Exchange Agent

Wells Fargo Bank, National Association is serving as the exchange agent for the exchange offer.

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Consequences of Not Exchanging Old Notes

If you do not exchange your old notes in the exchange offer, your old notes will continue to be subject to the restrictions on transfer currently applicable to the old notes. In general, you may offer or sell your old notes only:

if they are registered under the Securities Act and applicable state securities laws;

if they are offered or sold under an exemption from registration under the Securities Act and applicable state securities laws; or

if they are offered or sold in a transaction not subject to the Securities Act and applicable state securities laws.

We do not currently intend to register the old notes under the Securities Act. Under some circumstances, however, holders of the old notes, including holders who are not permitted to participate in the exchange offer or who may not freely resell exchange notes received in the exchange offer, may require us to file, and to cause to become effective, a shelf registration statement covering resales of old notes by these holders. For more information regarding the consequences of not tendering your old notes and our obligation to file a shelf registration statement, see [Exchange Offer Consequences of Failure to Exchange](#) and [Exchange Offer Shelf Registration](#).

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Terms of the Exchange Notes

Issuer	Great Lakes Dredge & Dock Corporation, a Delaware corporation.
Notes Offered	\$250,000,000 aggregate principal amount of 7.375% senior notes due 2019.
Maturity Date	The exchange notes will mature on February 1, 2019.
Interest	<p>Interest on the exchange notes will accrue at a rate of 7.375% per annum.</p> <p>Interest on the exchange notes will be payable on February 1 and August 1 of each year, beginning on February 1, 2012 and will accrue from August 1, 2011.</p>
Guarantees	All of our existing and future wholly owned domestic subsidiaries will guarantee the notes on the issue date on a senior unsecured basis.
Ranking	<p>The exchange notes and guarantees will be senior unsecured obligations of the Company and the guarantors and will:</p> <p>rank senior in right of payment to any of our and the guarantors' future subordinated indebtedness;</p> <p>rank <i>pari passu</i> in right of payment with all of our and the guarantors' existing and future senior indebtedness; and</p> <p>be effectively subordinated in right of payment to our and the guarantors' existing and future senior secured indebtedness, including amounts outstanding under our senior secured revolving credit facility, to the extent of the value of the assets securing such indebtedness.</p>
Optional Redemption	We may redeem some or all of the exchange notes at any time prior to February 1, 2015, for cash at a redemption price equal to 100% of their principal amount plus a make-whole premium (as described under "Description of Exchange Notes - Optional Redemption"), plus accrued and unpaid interest to the redemption date. Additionally, we may redeem the exchange notes, in whole or in part, at any time on and after February 1, 2015 at the redemption prices listed under "Description of Exchange Notes - Optional Redemption", plus accrued and unpaid interest to the redemption date.
Optional Redemption After Equity Offerings	In addition, at any time (which may be more than once) until February 1, 2014, we can choose to redeem up to 35% of the outstanding exchange notes with the proceeds of

certain equity offerings, so long as:

we pay 107.375% of the face amount of the exchange notes, plus accrued and unpaid interest to the redemption date;

we redeem the notes within 180 days of completing such equity offering; and

at least 65% of the aggregate principal amount of the exchange notes remains outstanding afterwards.

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Change of Control

If a change in control of the Company occurs, we must give holders of the exchange notes the opportunity to sell us their exchange notes at 101% of their face amount, plus accrued interest.

We might not be able to pay you the required price for exchange notes you present to us at the time of a change of control, because we might not have enough funds at that time, or the terms of the revolving credit facility may prevent us from paying.

See Risk Factors Risks Related to the Exchange Notes Upon a change of control, we may not have the ability to raise the funds necessary to finance the change of control offer required by the indenture governing the notes, which would violate the terms of the notes.

Certain Covenants

The indenture governing the notes contains covenants limiting our ability and the ability of our restricted subsidiaries to:

pay dividends or make certain other restricted payments or investments;

incur additional indebtedness and issue disqualified stock;

create liens on our assets;

transfer and sell assets;

merge, consolidate, or sell all or substantially all of our assets;

enter into certain transactions with affiliates;

create restrictions on dividends or other payments by our restricted subsidiaries; and

create guarantees of indebtedness by restricted subsidiaries.

These covenants are subject to a number of important limitations and exceptions. See Description of Exchange Notes Certain Covenants.

No Prior Market

The exchange notes will be new securities for which there is currently no market. We do not intend to apply for the exchange notes to be listed on any securities exchange or included in any automated quotation system. We cannot assure you that a liquid market for the exchange notes will develop or be maintained.

Use of Proceeds

We will not receive any proceeds from the issuance of the exchange notes pursuant to the exchange offer.

You should carefully consider all of the information in this prospectus. In particular, you should evaluate the information under **Risk Factors** for a discussion of risks associated with an investment in the Company.

For more complete information about the notes, see **Description of Exchange Notes**.

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The table below sets forth our ratio of earnings to fixed charges for the periods indicated on a consolidated historical basis. For purposes of determining the ratio of earnings to fixed charges, earnings are defined as earnings (loss) from continuing operations before income taxes, plus fixed charges and distributed income of equity investees less capitalized interest. Fixed charges consist of interest expense on all indebtedness, amortization of deferred financing costs, and estimated interest expense in operating leases.

	For the Three Months		Fiscal Year Ended December 31,				
	Ended March 31, 2011	2010	2010	2009	2008	2007	2006
Ratio of earnings to fixed charges	1.6	4.2	3.6	2.1	1.4	1.5	1.1

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RISK FACTORS

You should carefully consider the risk factors set forth below as well as the other information contained in, and incorporated by reference in, this prospectus before deciding whether to participate in the exchange offer. The risks described below are not the only risks that we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our fiscal condition, results of operations and cash flows. Any of the following risks could materially adversely affect our business, financial condition or results of operations. In such case, you may lose all or part of your original investment. Along with the risks and uncertainties described below, you should carefully consider the risks and uncertainties described in the section entitled "Risk factors" in our 2010 Form 10-K, which are incorporated by reference into this prospectus.

Risks Related to the Exchange Offer and Holding the Exchange Notes

We have indebtedness which could adversely affect our financial position and prevent us from fulfilling our obligations under the notes.

We currently have, and upon consummation of the exchange offer, will continue to have, indebtedness. As of March 31, 2011, we had total debt of \$257.7 million, of which \$250.0 consisted of the old notes which are being exchanged in the exchange offer. In addition, at March 31, 2011, we had \$9.5 million of letters of credit outstanding under our senior credit facility, \$15.7 million of letters of credit outstanding under our international letter of credit facility and \$296.5 million of performance bonds outstanding under our bonding agreement. We may also incur significant additional indebtedness in the future. Our indebtedness may:

make it difficult for us to satisfy our financial obligations, including making scheduled principal and interest payments on the notes and our other indebtedness;

limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions or other general business purposes;

limit our ability to use our cash flow or obtain additional financing for future working capital, capital expenditures, acquisitions or other general business purposes;

require us to dedicate a portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital and capital expenditures, pay dividends and other general corporate purposes;

limit our flexibility in planning for, or reacting to, changes in our business and our industries; and

affect our competitiveness compared to our less leveraged competitors.

Despite our current level of indebtedness, we may still be able to incur substantially more indebtedness. This could exacerbate the risks associated with our indebtedness.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. The terms of the indenture limit, but not prohibit, us or our subsidiaries from incurring additional indebtedness. If we incur any additional indebtedness that ranks equally with the notes and the guarantees, the holders of that indebtedness will be entitled to share ratably with the holders of the notes and the guarantees in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of us. This may have the effect of reducing the amount of proceeds paid to you. If new indebtedness is added to our current debt levels, the related risks that we and our subsidiaries now face could intensify.

If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the notes.

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Any default under the agreements governing our indebtedness, including a default under our senior credit facility that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness

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could prohibit us from making payments of principal, premium, if any, or interest on the notes and could substantially decrease the market value of the notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, or interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness (including our senior secured revolving credit facility), we could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest. More specifically, the lenders under our senior credit facility could elect to terminate their commitments, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy, if applicable to us, or liquidation. If our operating performance declines, we may in the future need to seek waivers from the required lenders under the senior secured revolving credit facility to avoid being in default. If we breach covenants under our senior secured revolving credit facility and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under the revolving credit facility, the lenders could exercise their rights as described above, and we could be forced into bankruptcy, to the extent applicable to us, or liquidation. No assurance can be given that, if we breach covenants under our revolving credit facility and our creditors seek to enforce their rights under the federal bankruptcy laws, that a forum will be available to creditors. See [Description of Other Indebtedness](#) and [Description of Exchange Notes](#).

The exchange notes and the guarantees will be unsecured and effectively subordinated to our and the guarantors' existing and future secured indebtedness.

The exchange notes and the guarantees will be general unsecured obligations ranking effectively junior in right of payment to all of our existing and future secured indebtedness and that of each guarantor, including indebtedness under our senior credit facility. Additionally, the indenture governing the exchange notes will permit us to incur additional secured indebtedness in the future. In the event that we or a guarantor is declared bankrupt, becomes insolvent or is liquidated or reorganized, any indebtedness that is effectively senior to the exchange notes and the guarantees will be entitled to be paid in full from our assets or the assets of the guarantors, as applicable, securing such indebtedness before any payment may be made with respect to the exchange notes or the affected guarantees. Holders of the exchange notes will participate ratably with all holders of our unsecured indebtedness that is deemed to be of the same class as the exchange notes, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor, in our remaining assets.

As of March 31, 2011, on an as adjusted basis, the exchange notes and the guarantees would have been effectively subordinated to \$9.5 million of letters of credit outstanding under our senior credit facility and we would have been able to incur an additional \$135.5 million of indebtedness under our senior credit facility on such date, subject to compliance with financial covenants in the revolving credit facility, all of which would have also been effectively senior to the exchange notes and the guarantees.

Claims of noteholders will be structurally subordinate to claims of creditors of our subsidiaries that do not guarantee the notes.

The exchange notes will not be guaranteed by any of our subsidiaries that are not wholly owned domestic subsidiaries, including Yankee, and also including our future non-wholly owned domestic subsidiaries, including those that we designate as [unrestricted](#) in accordance with the terms of the indenture. Accordingly, claims of holders of the exchange notes will be structurally subordinated to the claims of creditors of these non-guarantor subsidiaries, including trade creditors. All obligations of our non-guarantor subsidiaries will have to be satisfied before any of the assets of these subsidiaries would be available for distribution, upon a liquidation or otherwise, to us or a guarantor of the exchange notes. Although certain of our domestic subsidiaries will guarantee the exchange notes, the guarantees are subject to release under certain circumstances and we may have subsidiaries that are not guarantors. In the event of the liquidation, dissolution, reorganization, bankruptcy or similar

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proceeding of the business of a subsidiary that is not a guarantor, creditors of that subsidiary would generally have the right to be paid in full before any distribution is made to us or the holders of the exchange notes. In any of these events, we may not have sufficient assets to pay amounts due on the exchange notes with respect to the assets of that subsidiary.

For the year ended December 31, 2010, our non-guarantor subsidiaries accounted for \$8.5 million, or 1.2%, of our total net revenues, and a net loss available to Great Lakes Dredge & Dock Corporation of \$1.7 million. As of March 31, 2011, such subsidiaries had assets of \$9.8 million and liabilities of \$7.4 million (including guarantees of our indebtedness under our Credit Agreement, and other indebtedness and liabilities of such subsidiaries, but excluding approximately \$9.5 million of outstanding letters of credit and \$135.5 million of additional borrowing capacity under our senior credit facility, \$15.7 million of letters of credit outstanding under our international letter of credit facility and contingent obligations, including \$296.5 million of performance bonds outstanding under our bonding agreement). As of March 31, 2011, we had no borrowings and \$9.5 million of letters of credit outstanding under our senior credit facility, and outstanding performance bonds valued at \$296.5 million under our bonding agreement.

Federal and state fraudulent transfer laws may permit a court to void the exchange notes and the guarantees, and, if that occurs, you may not receive any payments on the notes.

The issuance of the exchange notes and the guarantees may be subject to review under federal and state fraudulent transfer and conveyance statutes. While the relevant laws may vary from state to state, under such laws the payment of consideration will be a fraudulent conveyance if (1) we paid the consideration with the intent of hindering, delaying or defrauding creditors or (2) we or any of our guarantors, as applicable, received less than reasonably equivalent value or fair consideration in return for issuing either the notes or a guarantee, and, in the case of (2) only, one of the following is also true:

we or any of our guarantors were or was insolvent or rendered insolvent by reason of the incurrence of the indebtedness; or

payment of the consideration left us or any of our guarantors with an unreasonably small amount of capital to carry on the business; or

we or any of our guarantors intended to, or believed that we or it would, incur debts beyond our or its ability to pay as they mature. If a court were to find that the issuance of the exchange notes or a guarantee was a fraudulent conveyance, the court could void the payment obligations under the exchange notes or such guarantee or further subordinate the exchange notes or such guarantee to presently existing and future indebtedness of ours or such guarantor, or require the holders of the exchange notes to repay any amounts received with respect to the notes or such guarantee. In the event of a finding that a fraudulent conveyance occurred, you may not receive any repayment on the exchange notes. Further, the voidance of the exchange notes could result in an event of default with respect to our other debt and that of our subsidiaries that could result in acceleration of such debt.

Generally, an entity would be considered insolvent if, at the time it incurred indebtedness:

the sum of its debts, including contingent liabilities, were greater than the fair salable value of all its assets; or

the present fair salable value of its assets were less than the amount that would be required to pay its probable liability on its existing debts and liabilities, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they become due.

We cannot be certain as to the standards a court would use to determine whether or not we or the guarantors were solvent at the relevant time, or regardless of the standard that a court uses, that the issuance of the exchange

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notes and the guarantees would not be subordinated to our or any guarantor's other debt. If any other subsidiary of ours guarantees the exchange notes in the future, such guarantee will become subject to the same risks described above. If any of the guarantees were legally challenged, such challenged guarantee could also be subject to the claim that, since the guarantee was incurred for our benefit, and only indirectly for the benefit of the guarantor, the obligations of the applicable guarantor were incurred for less than fair consideration. A court could thus void the obligations under the guarantees, subordinate them to the applicable guarantor's other debt or take other action detrimental to the holders of the exchange notes.

Upon a change of control, we may not have the ability to raise the funds necessary to finance the change of control offer required by the indenture governing the notes, which would violate the terms of the notes.

Upon the occurrence of a change of control, holders of the notes will have the right to require us to purchase all or any part of the notes at a price equal to 101% of the principal amount, plus accrued and unpaid interest, if any, to the date of purchase. We may not have sufficient financial resources available to satisfy all of our obligations under the notes in the event of a change in control. Our failure to purchase the notes as required under the indenture would result in a default under the indenture and a cross-default under our senior credit facility, each of which could have material adverse consequences for us and the holders of the notes. In addition, the credit facility provides that a change of control is a default that permits lenders to accelerate the maturity of borrowings under it. See Description of Exchange Notes Change of Control.

Your ability to transfer the exchange notes offered hereby may be limited by the absence of an active trading market.

The exchange notes are a new issue of securities and there is no established trading market for them, or for the old notes. We do not intend to apply for the notes to be listed on any securities exchange or to arrange for quotation on any automated dealer quotation system. You may not be able to sell your notes at a particular time or at favorable prices. As a result, we cannot assure you as to the liquidity of any trading market for the exchange notes or as to whether any market will develop or be maintained. Accordingly, you may be required to bear the financial risk of your investment in the exchange notes indefinitely. If a trading market were to develop, future trading prices of the exchange notes may be volatile and will depend on many factors, including:

the number of holders of exchange notes;

our operating performance and financial condition;

the market for similar securities;

the interest of securities dealers in making a market in the exchange notes; and

prevailing interest rates.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of these securities. We cannot assure you that the market for the exchange notes will be free from similar disruptions. Any such disruptions could have an adverse effect on holders of the exchange notes.

Holders of old notes who fail to exchange their old notes in the exchange offer will continue to be subject to restrictions on transfer.

If you do not exchange your old notes for exchange notes in the exchange offer, you will continue to be subject to the restrictions on transfer applicable to the old notes. The restrictions on transfer of your old notes arise because we issued the old notes under exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, you may only offer or sell the old notes if they are registered under the Securities Act and applicable state securities laws, or offered and sold under an exemption from these requirements. We do not plan to register the old notes under the Securities Act.