

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

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO. 4)*

TELOS CORPORATION
(NAME OF ISSUER)

12% CUMULATIVE EXCHANGEABLE REDEEMABLE PREFERRED STOCK
(TITLE OF CLASS OF SECURITIES)

126520 20 4
(CUSIP NUMBER)

Timothy G. Ewing
Fisher Ewing Partners
2200 Ross Avenue
Suite 4660 West
Dallas, Texas 75201
(214) 999-1900

(NAME, ADDRESS, TELEPHONE NUMBER OF PERSON AUTHORIZED TO RECEIVE NOTICES
AND COMMUNICATIONS)

DECEMBER 23, 1996

(DATE OF EVENT WHICH REQUIRES FILING OF THIS STATEMENT)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box [].

Check the following box if a fee is being paid with the statement []. (A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of five percent or less of such class.) (See Rule 13d-7.)

NOTE: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Page 1 of 7 Pages

CUSIP No. 126520 20 4

Page 2 of 7 Pages

1. NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
FISHER EWING PARTNERS

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF GROUP (a) []

(b) []

3. SEC USE ONLY

4. SOURCE OF FUNDS

WC

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS PURSUANT TO ITEMS 2(d) OR 2(e) []
NOT APPLICABLE
6. CITIZENSHIP OR PLACE OR ORGANIZATION
TEXAS
7. NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH SOLE VOTING POWER
714,317
8. NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH SHARED VOTING POWER
-0-
9. NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH SOLE DISPOSITIVE POWER
714,317
10. NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH SHARED DISPOSITIVE POWER
-0-
11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
714,317
12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []
13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
19.87%
14. TYPE OF REPORTING PERSON
PN

1. NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
VALUE PARTNERS, LTD.
2. CHECK THE APPROPRIATE BOX IF A MEMBER OF GROUP (a) []
(b) []
3. SEC USE ONLY
4. SOURCE OF FUNDS
WC
5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS PURSUANT
TO ITEMS 2(d) OR 2(e)
NOT APPLICABLE
6. CITIZENSHIP OR PLACE OR ORGANIZATION
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14. TYPE OF REPORTING PERSON
PN

AMENDMENT NO. 4 TO SCHEDULE 13D

This statement amends ("Amendment No. 4") the Schedule 13D (the "Schedule"), and Amendment No. 1 to the Schedule ("Amendment No. 1"), Amendment No. 2 to the Schedule ("Amendment No. 2") and Amendment No. 3 to the Schedule ("Amendment No. 3") filed by Value Partners, Ltd. ("VP") and Fisher Ewing Partners ("FEP") with the Securities and Exchange Commission on November 13, 1995, February 15, 1996, May 13, 1996 and November 6, 1996, respectively, with respect to the 12% Cumulative Exchangeable Redeemable Preferred Stock, \$.01 par value per share ("Exchangeable Preferred Stock"), of Telos Corporation, a Maryland corporation (the "Issuer"). (The Schedule, Amendment No. 1, Amendment No. 2, Amendment No. 3 and Amendment No. 4 are collectively referred to herein as the "Schedule" where the context so permits.) All defined terms refer to terms defined herein, in the Schedule, in Amendment No. 1, Amendment No. 2 and Amendment No. 3. Notwithstanding this Amendment No. 4, the Schedule and Amendment No. 1, Amendment No. 2 and Amendment No. 3 speak as of their respective dates. The Schedule, Amendment No. 1, Amendment No. 2 and Amendment No. 3 are amended only to the extent set forth below:

ITEM 4. PURPOSE OF TRANSACTION appearing in the Schedule is deleted in its entirety and replaced with the following:

"ITEM 4. PURPOSE OF TRANSACTION

The purpose of the acquisition of shares of the Issuer's Exchangeable Preferred Stock by VP and FEP is for investment. The shares reported on this Schedule were not purchased with the intention of exercising control over the Issuer. Although the Exchangeable Preferred Stock is non-voting stock, it has the exclusive right to vote as a class for up to two directors if at any time or times dividends payable on the Exchangeable Preferred Stock shall be in arrears and unpaid for three consecutive full semi-annual periods. The Issuer's Form 10-Q for the quarterly period ended September 30, 1996 stated that no dividends on the Exchangeable Preferred Stock were declared or paid during fiscal years 1992 through 1995 or during fiscal year 1996. Consequently, VP and FEP believe that, pursuant to the terms of the Exchangeable Preferred Stock, there are currently two vacancies on the Board of Directors of the Issuer, constituting the "Class D" directors, who may be elected exclusively by the holders of the Exchangeable Preferred Stock and that the holders of the Exchangeable Preferred Stock currently have the right to elect, voting separately as a class, two directors to the Board of Directors of the Issuer at any annual or special meeting of the stockholders of the Issuer held for the purpose of electing directors.

VP currently intends to exercise these voting rights and, in that regard, on December 23, 1996 mailed a letter to the Issuer which: (i) requested that the Issuer call a special meeting of stockholders to be held on January 31, 1997 to elect the two "Class D" directors which may be elected by holders of the Exchangeable Preferred Stock; (ii) if the special meeting is not called as requested by January 23, 1997, VP, as a 10.0% stockholder has called for a special meeting of the holders of the Exchangeable Preferred Stock to be held on Friday, February 28, 1997 at 2:00 p.m. at the offices of VP's special counsel located at 734 15th Street, N.W., Washington, D.C. 20005 and requested, among other things, that the Company provide to holders of record of the Exchangeable Preferred Stock 30 days written notice of the special meeting; and (iii) nominated two persons, Mr. Julio E. Heurtematte, Jr. and Mr. Malcolm M. B. Sterrett, to run as candidates for the Class D director positions. VP has also requested that the Issuer provide to it the stock books of the Issuer relating to the holders of the Exchangeable Preferred Stock.

VP currently intends to do one or more of the following: (i) vote its shares of the Exchangeable Preferred Stock in favor of one or more of its (or other) nominees for the Class D director positions; (ii) enter into discussions with the Issuer with respect to its rights as a holder of the Exchangeable Preferred Stock; (iii) take such other action, in its sole discretion, to facilitate the above, including contacting other holders of the Exchangeable Preferred Stock and possibly, the solicitation of proxies in favor of VP's or another person's nominees; (iv) seek judicial enforcement of its legal rights as a stockholder of the Issuer, if necessary, in VP's discretion; (v) exercise any or all rights available to holders of the Exchangeable Preferred Stock; or (vi) take any other action it may deem to be appropriate and in its interest as a holder of the Exchangeable Preferred Stock which may or may not be consistent with the above.

In the future, VP or FEP may determine to purchase additional shares of the Issuer's Exchangeable Preferred Stock (or other securities of the

Issuer), or VP or FEP may determine to sell shares of the Exchangeable Preferred Stock. Any such determination will depend upon a number of factors, including market prices, the Issuer's prospects and alternative investments.

While VP and FEP intend to exercise their rights as stockholders, except as set forth above, none of VP, FEP or Messrs. Fisher and Ewing currently has any plans or proposals which relate to or would result in: (a) the acquisition by any person of additional securities of the Issuer or the disposition of securities of the Issuer; (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Issuer or any of its subsidiaries; (c) a sale or transfer of a material amount of assets of the Issuer or any of its subsidiaries; (d) any change in the present Board of Directors or management of the Issuer, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the Board; (e) any material change in the present capitalization or dividend policy of the Issuer; (f) any other material change in the Issuer's business or corporate structure; (g) changes in the Issuer's Articles of Incorporation, Bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Issuer by any person; (h) causing a class of securities of the Issuer to be deleted from a national securities exchange or to cease to be authorized or quoted in an inter-dealer quotation system of a registered national securities association; (i) a class of equity securities of the Issuer becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act; or (j) any action similar to any of those enumerated above."

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

Exhibit A - Letter from VP to Issuer
dated December 23, 1996.

SIGNATURES

After reasonable inquiry and to the best of the knowledge and belief of the undersigned, the undersigned certifies that the information set forth in this Amendment No. 4 to the Schedule 13D is true, complete and correct.

VALUE PARTNERS, LTD.

By: Fisher Ewing Partners,
its General Partner

/S/ TIMOTHY G. EWING

Timothy G. Ewing, Partner

Date: December 23, 1996

FISHER EWING PARTNERS

By: /S/ TIMOTHY G. EWING

Timothy G. Ewing, Partner

Date: December 23, 1996

EXHIBIT A

Letter from VP to Issuer
dated December 23, 1996

VALUE PARTNERS, Ltd.
Suite 4660 West
2200 Ross Avenue
Dallas, Texas 75201

December 23, 1996

VIA REGISTERED MAIL
RETURN RECEIPT REQUESTED

Secretary
Telos Corporation
19886 Ashburn Road
Ashburn, VA 20147

Re: Request for Call of Special Meeting of the Stockholders of the 12%
Cumulative Exchangeable Redeemable Preferred Stock

Dear Sir or Madam:

Value Partners, Ltd. ("VP") is the holder of record of 714,317 shares or 19.87% of the 12% Cumulative Exchangeable Redeemable Preferred Stock (the "Exchangeable Preferred Stock") of Telos Corporation (the "Company"). Based upon the Company's Form 10-Q for the quarter ended September 30, 1996, no dividends have been paid on the Exchangeable Preferred Stock for the fiscal years 1992 through 1995 or for the nine months ended September 30, 1996. As you are aware, pursuant to the Company's Articles of Incorporation, as amended (the "Articles"), holders of the Exchangeable Preferred Stock are entitled to receive cumulative dividends at the annual rate of 12% (\$1.20) per share. As noted in the Articles, "[d]ividends payable on shares of the Exchangeable Preferred Stock (whether payable in cash or in stock) shall be fully cumulative and SHALL ACCRUE (WHETHER OR NOT EARNED OR DECLARED), without interest, from the date of issuance of the Exchangeable Preferred Stock at the Effective Date." (Emphasis ours.) Consequently, the dividends payable on the Exchangeable Preferred Stock are in arrears and unpaid.

The Articles further provide that if, at any time, dividends on the Exchangeable Preferred Stock shall be in arrears and unpaid for three consecutive full semi-annual periods, then the number of directors constituting the Board of Directors of the Company, without further action, shall be increased by up to two directors and the holders of the Exchangeable Preferred Stock shall have the exclusive right, voting separately as a class, to elect the directors of the Company to fill such newly created directorships, which directors shall be designated as "Class D" directors. These voting rights of the holders of the Exchangeable Preferred Stock continue until the Company has paid in full all accumulated dividends. Accordingly, there are now two vacancies on the Company's Board of Directors which may be filled by a vote of the Exchangeable Preferred Stock, the voting rights of which have vested pursuant to the terms of the Articles.

As a holder of record of the Exchangeable Preferred Stock, VP hereby requests that the Secretary (or other proper officer) of the Company call a special meeting of the holders of the Exchangeable Preferred Stock of the Company on January 31, 1996 for the purpose of electing the two Class D directors to the Company's Board of Directors. It is our preference that the meeting be held at the principal office of the Company and that at least 30 but not more than 40 days written notice be given to all holders of record of the Exchangeable Preferred Stock.

If the Secretary of the Company fails to call, or cause to be called, such a special meeting within 30 days of the postmark of this letter, then as a holder of more than 10% of the Exchangeable Preferred Stock, VP hereby designates Value Partners, Ltd. as the holder of the Exchangeable Preferred Stock to call such a special meeting at the Company's expense, and VP hereby calls such meeting upon the following terms: (i) the special meeting of stockholders of the Exchangeable Preferred Stock shall be held on Friday, February 28, 1997 at 2:00 p.m. at the law offices of Elias, Matz, Tiernan & Herrick L.L.P., located at 734 15th Street, N.W., 12th Floor, Washington, D.C. 20005; (ii) the Company shall provide 30 days written notice of the special meeting to all holders of the Exchangeable Preferred Stock; and (iii) voting shall be by proxy or ballot and not by voice vote.

In connection therewith, as a stockholder entitled to vote at this special meeting, VP hereby requests that the Company make available to VP, its agents and counsel the stock books of the Company relating to the

holders of the Exchangeable Preferred Stock on January 10, 1997 at 10:00 a.m. Please provide a photocopy machine for this purpose. Because the Articles state that the meeting is to be at the expense of the Company, the cost to copy such list should also be a Company expense. In lieu of this visit, this request may be complied with by providing to VP a current list of all holders of the Exchangeable Preferred Stock on or before January 10, 1997.

In addition, VP hereby nominates Mr. Julio E. Heurtematte, Jr. and Mr. Malcolm M. B. Sterrett to serve as the Class D directors (the "Nominees"). Neither of the Nominees is the beneficial owner of any shares of the Exchangeable Preferred Stock. Attached hereto as Exhibit A are the resumes of such nominees. Each such nominee has provided his written consent to serve as a Class D director, if elected. The consents are attached hereto as Exhibit B. Neither VP nor either of the nominees: (i) is an officer or director of the Company; (ii) has had any business relationship with the Company in the past fiscal year of the Company (other than as a holder of the Exchangeable Preferred Stock); (iii) is an adverse party to the Company in any material legal proceedings; (iv) has engaged in any material transaction with the Company during the Company's last fiscal year in which any of them had a direct or indirect material interest; (v) has any known family relationship with any director or officer of the Company or with each other; (vi) is indebted to the Company; or (viii) has entered into any understanding or arrangement pursuant to which the nominees were selected as such. Please contact our counsel, named below, if further information in this regard is required. VP does not currently expect to bring any other business before the special meeting.

Enclosed also is Amendment No. 4 to VP's Schedule 13D, amended to reflect the tendering of this request.

Your cooperation in this matter will be greatly appreciated. Our special counsel will contact Mr. Brownley shortly to discuss the arrangements to be made for the special meeting. VP does not view this request as a hostile act to acquire control of the Company and accordingly expects the Company to comply in good faith with the requirements of its Articles. Should you have any questions concerning this correspondence or wish to discuss any details of the request, please feel free to contact our special counsel, Timothy B. Matz, Esq. at (202) 347-0300.

Sincerely,

VALUE PARTNERS, LTD.

By: Fisher Ewing Partners

By: /S/TIMOTHY G. EWING
Timothy G. Ewing, Partner

cc: Timothy B. Matz, Esq.

EXHIBIT A
RESUMES OF
MR. HEURTEMATTE
AND
MR. STERRETT

JULIO E. HEURTEMATTE, JR.
5028 LOWELL STREET, N.W.
WASHINGTON, D.C. 20016

(202)244-5686

- * Born October 24, 1935. San Jose, Costa Rica.
- * Graduated from the United States Military Academy (1957)
- * Graduate studies in Engineering Administration - The George Washington University (1957-1958)
- * Became United States Citizen in September, 1994.

1989-PRESENT PRIVATE CONSULTANT

Consultant on International projects, international trade, and investments.

1963-1989 INTER-AMERICAN DEVELOPMENT BANK

DEPUTY MANAGER FOR PROJECT ANALYSIS (1979-1989)

- - Headed a sub-department of approximately 80 professionals (engineers, economists, and financial analysts) with an annual budget of over US\$9.3 million in 1989. Responsible for the evaluation of 40 to 50 energy, infrastructure, industrial and credit projects yearly, resulting in annual loans between US\$1.2 and 2.5 billion (60%-70% of Bank's total lending). Represented the Bank at numerous technical, financial and economic meetings worldwide, and conducted procurement seminars in the United States, Europe, Japan and Israel.

MEMBER, PENSION FUND INVESTMENT COMMITTEE (1979-1989), VICE CHAIRMAN (1987-1989) RETIREE REPRESENTATIVE (1989-1992)

The Committee was created in 1979 to assume fiduciary responsibility and direct the investments of the Pension Fund (US\$600 million in 1992). As a founding member of the Committee, participated in the design and implementation of a new investment policy that allocates the assets of the Fund in equities (U.S. and foreign), fixed income, and real estate, utilizing specialized managers in each of the asset categories.

Participated in the group that formulates and sets the strategic asset allocation policy. Chaired working groups responsible for the selection and dismissal of the equity and fixed income managers.

DIVISION CHIEF, FINANCIAL INSTITUTIONS (1975-1978)

- - In charge of a group of 15 professionals. Responsible for the evaluation of development projects and programs which use specific banks or the banking system of a country as an intermediary to provide credit to private firms or individuals for productive projects.

ADVISOR TO THE PROJECT ANALYSIS DEPARTMENT (1973-1975)

- - Conducted special studies related to the Bank's organization, systems, and the analysis of projects.

LOAN AREA CHIEF, OPERATIONS DEPARTMENT (1968-1973)

- - Supervised professional staff of 6-8 loan officers. Responsible for the identification, programming, and negotiation of Bank's loans in Colombia, Ecuador, Venezuela, and English speaking Caribbean countries.

SPECIAL ASSISTANT TO THE EXECUTIVE VICE PRESIDENT (1965-1968)

The Executive Vice President is the Bank's Chief Operational Officer and Chairman of the Loan Committee.

- - Reviewed the loan documents presented to the Loan Committee, analyzed policy papers and procedural Instructions, reviewed budgets, and coordinated staff meetings.

ENGINEER, PROJECT ANALYSIS DEPARTMENT (1963-1965)

- - Participated in the analysis of highway and water projects in various countries.

- - Organized the Bank's unit that deals with consulting engineering firms.

1958-1963 CONSULTING ENGINEER

Worked in New York City as a civil engineer for Tippetts-Abbett-McCarty-Stratton (TAMS) and the Leonard Wegman Company.

- - Participated in the design of various highway, railroad, and water projects.

- - Project engineer in charge of design of a section of Interstate Route 81 in the state of New York.

1987-1994 TRINITY COLLEGE (D.C.)

Member of the Board of Trustees.

Chairman of the Finance Committee, (1988-1994).

MALCOLM M. B. STERRETT
4516 WETHERILL ROAD
BETHESDA, MARYLAND 20816

(301) 229-8999 FAX (301) 229-8877

PERSONAL

Date of Birth: September 21, 1942

Marital Status: Married, one child

EDUCATION

Vanderbilt University School of Law, J.D., 1967

The Hague Academy of International Law, 1966

Princeton University, B.A., 1964

EMPLOYMENT

Partner, Pepper Hamilton & Scheetz, Washington, D.C. (1989-1993)

My practice concentrated in the areas of transportation, health, and general administrative law.

General Counsel, United States Department of Health and Human Services (1988-1989)

Appointed by the President as the legal counsel for the Secretary. I was responsible for providing all legal services with respect to the programs, operations, and activities of the Department and for supervising a staff of over 500 lawyers in addition to other support personnel.

Commissioner, Interstate Commerce Commission (1982-1988)

Appointed by the President as a Republican member of the Commission. The ICC was charged with the responsibility for regulating interstate transportation by railroads and motor and water carriers. I also served as a Government Member of the Administrative Conference of the United States.

Vice President and General Counsel, United States Railway Association (1980-1982)

USRA was non-profit Federal Corporation established to administer the investment of public funds in Conrail and monitoring Conrail's performance. The Association also represented the Federal Government in the complex litigation stemming from the reorganization of the Northeast bankrupt railroads. In addition to managing the litigation, my responsibilities included corporate affairs, Congressional relations, and the development of the Association's policy for the improvement of rail service in the Northeast.

Staff Director and Counsel, U.S. Senate Committee on Commerce, Science and Transportation (1976-1980)
Staff Counsel, U.S. Senate Committee on Commerce (1972-1976)

As Staff Director, I was responsible for the development and administration of the staff which supported the Republican senators of the Committee in their legislative and oversight activities. As Counsel, I was the chief counsel to the Republican members in all areas of the Committee's jurisdiction. My responsibilities included legislative strategy and drafting, assisting senators during hearings, executive sessions, floor debate, and conferences, as well as communication with the House and numerous Executive departments and agencies.

Attorney-Advisor, Interstate Commerce Commission (1967-1972)

I provided legal services with regard to motor carrier and railroad regulation and served on the personal staff of one the Commissioners.

EXHIBIT B
CONSENTS TO SERVE

CONSENT TO SERVE

The undersigned, a nominee of Value Partners, Ltd., does hereby provide this written consent to Telos Corporation (the "Company") and declares that he consents to being named in the Company's proxy statement as a nominee to be a Class D director and to serve as a Class D director of the Company if and when elected by the holders of the 12% Cumulative Exchangeable Redeemable Preferred Stock of the Company.

Dated: December 12, 1996

By: /S/ JULIO E. HEURTEMATTE, JR.
Name: JULIO E. HEURTEMATTE, JR.

CONSENT TO SERVE

The undersigned, a nominee of Value Partners, Ltd., does hereby provide this written consent to Telos Corporation (the "Company") and declares that he consents to being named in the Company's proxy statement as a nominee to be a Class D director and to serve as a Class D director of the Company if and when elected by the holders of the 12% Cumulative Exchangeable Redeemable Preferred Stock of the Company.

Dated: December 20, 1996

By: /S/ MALCOLM M.B. STERRETT

Name: MALCOLM M. B. STERRETT