

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO. 2)*

TELOS CORPORATION

(Name of Issuer)

12% Cumulative Exchangeable Redeemable Preferred Stock, \$.01 par value

(Title of Class of Securities)

8796B200

(CUSIP Number)

Andrew R. Siegel
c/o Costa Brava Partnership III, LP
237 Park Avenue, Suite 800
New York, New York 10017
(212) 692-6395

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

June 2, 2005

(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 [].

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 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)

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SCHEDULE 13D

CUSIP NO. 8796B200

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

Costa Brava Partnership III, LP

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) []
(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS*

Not Applicable

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER	506,811
	8	SHARED VOTING POWER	0
	9	SOLE DISPOSITIVE POWER	506,811
	10	SHARED DISPOSITIVE POWER	0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

506,811

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

[X]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

15.9%

14 TYPE OF REPORTING PERSON*

PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

SCHEDULE 13D

CUSIP NO. 8796B200

1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Roark, Rearden & Hamot, LLC

2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>

3	SEC USE ONLY

4	SOURCE OF FUNDS* Not Applicable

5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(D) OR 2(E) []

6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

	7 SOLE VOTING POWER
NUMBER OF	0
SHARES	-----
BENEFICIALLY	8 SHARED VOTING POWER
OWNED BY	506,811
EACH	-----
REPORTING	9 SOLE DISPOSITIVE POWER
PERSON	0
WITH	-----
	10 SHARED DISPOSITIVE POWER
	506,811

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 506,811

12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* [X]

13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 15.9%

14	TYPE OF REPORTING PERSON* 00

*SEE INSTRUCTIONS BEFORE FILLING OUT!

SCHEDULE 13D

CUSIP NO. 8796B200

1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Seth W. Hamot																					

2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [] (b) [X]																					

3	SEC USE ONLY																					

4	SOURCE OF FUNDS* Not Applicable																					

5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(D) OR 2(E) []																					

6	CITIZENSHIP OR PLACE OF ORGANIZATION United States of America																					

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	<table border="0"> <tr> <td>7</td> <td>SOLE VOTING POWER</td> <td>0</td> </tr> <tr> <td colspan="3">-----</td> </tr> <tr> <td>8</td> <td>SHARED VOTING POWER</td> <td>506,811</td> </tr> <tr> <td colspan="3">-----</td> </tr> <tr> <td>9</td> <td>SOLE DISPOSITIVE POWER</td> <td>0</td> </tr> <tr> <td colspan="3">-----</td> </tr> <tr> <td>10</td> <td>SHARED DISPOSITIVE POWER</td> <td>506,811</td> </tr> </table>	7	SOLE VOTING POWER	0	-----			8	SHARED VOTING POWER	506,811	-----			9	SOLE DISPOSITIVE POWER	0	-----			10	SHARED DISPOSITIVE POWER	506,811
7	SOLE VOTING POWER	0																				

8	SHARED VOTING POWER	506,811																				

9	SOLE DISPOSITIVE POWER	0																				

10	SHARED DISPOSITIVE POWER	506,811																				

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 506,811																					

12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* [X]																					

13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 15.9%																					

14	TYPE OF REPORTING PERSON* IN																					

*SEE INSTRUCTIONS BEFORE FILLING OUT!

SCHEDULE 13D

CUSIP NO. 8796B200

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

White Bay Capital Management, LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) []
(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS*

Not Applicable

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(D) OR 2(E)

[]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER	0
	8 SHARED VOTING POWER	506,811
	9 SOLE DISPOSITIVE POWER	0
	10 SHARED DISPOSITIVE POWER	506,811

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

506,811

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

[X]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

15.9%

14 TYPE OF REPORTING PERSON*

00

*SEE INSTRUCTIONS BEFORE FILLING OUT!

SCHEDULE 13D

CUSIP NO. 8796B200

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

Andrew R. Siegel

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

Not Applicable

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2(D) OR 2(E)
[]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER	14,476
	8 SHARED VOTING POWER	506,811
	9 SOLE DISPOSITIVE POWER	14,476
	10 SHARED DISPOSITIVE POWER	506,811

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

521,287

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
[]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

16.4%

14 TYPE OF REPORTING PERSON*

IN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

AMENDMENT NO. 2 to SCHEDULE 13D

This amendment ("Amendment No. 2") amends the Schedule 13D previously filed on March 25, 2005, and amended by Amendment No. 1 filed on May 9, 2005 (collectively, the "Schedule"), by Costa Brava Partnership III, LP ("Costa Brava"), Roark, Rearden & Hamot, LLC ("Roark"), Seth W. Hamot ("Hamot"), White Bay Capital Management, LLC ("White Bay"), and Andrew R. Siegel ("Siegel") with the Securities and Exchange Commission with respect to the 12% Cumulative Exchangeable Redeemable Preferred Stock, \$0.01 par value ("Redeemable Preferred Stock") of Telos Corporation, a Maryland corporation (the "Issuer"). All defined terms refer to terms defined herein or in the Schedule. This Amendment No. 2 speaks only as of its date. Costa Brava, Roark, Mr. Hamot, White Bay and Mr. Siegel are collectively referred to herein as the "Reporting Persons".

ITEM 2 IDENTITY AND BACKGROUND

Paragraph (b) of Item 2. Identity and Background appearing in the Schedule is amended in its entirety to read as follows:

(b) The address of the principal business of each of Costa Brava, Roark and Mr. Hamot is 420 Boylston Street, 5F, Boston, Massachusetts 02116. The address of the principal business of White Bay and Mr. Siegel is c/o Costa Brava Partnership III, LP, 237 Park Avenue, Suite 800, New York, New York 10017.

ITEM 3 SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

Item 3. Source and Amount of Funds or other Consideration is hereby amended and supplemented as follows:

On June 2, 2005, Costa Brava acquired 70,000 shares of the Redeemable Preferred Stock at \$7.85 per share in an open market transaction and paid a total of \$549,500 for the shares. The source of funds was from Costa Brava's working capital.

ITEM 5 INTEREST IN SECURITIES OF THE ISSUER

Item 5. Interest in Securities of the Issuer is hereby amended and supplemented as follows:

(a) Costa Brava is the direct beneficial owner of the 506,811 shares of the Redeemable Preferred Stock currently owned beneficially by Costa Brava, Roark, Mr. Hamot, White Bay and Mr. Siegel. Such shares represent approximately 15.9% of the outstanding Redeemable Preferred Stock, based upon the 3,185,586 shares of the Redeemable Preferred Stock outstanding as of March 31, 2005, as reported in the Issuer's Form 10-Q filed on May 16, 2005.

Mr. Siegel is the direct beneficial owner of the 14,476 shares of the Redeemable Preferred Stock currently owned by him. Such shares represent approximately 0.45% of the outstanding Redeemable Preferred Stock, based upon the 3,185,586 shares of the Redeemable Preferred Stock outstanding as of March 31, 2005, as reported in the Issuer's Form 10-Q filed on May 16, 2005.

(c) The table below sets forth purchases of the shares of the Redeemable Preferred Stock by the Reporting Persons during the last 60 days. All of such purchases were effected in open market transactions by Costa Brava.

Date	Shares Purchased	Price
-----	-----	-----
June 2, 2005	70,000	\$7.85

ITEM 7 MATERIAL TO BE FILED AS EXHIBITS.

Exhibit 1 Joint Filing Agreement

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Amendment No. 2 to the Schedule 13D is true, complete and correct.

Dated: June 3, 2005

COSTA BRAVA PARTNERSHIP III, LP

By: Roark, Rearden & Hamot, LLC
Its General Partner

By: /s/ SETH W. HAMOT

Name: Seth W. Hamot
Title: Manager

ROARK, REARDEN & HAMOT, LLC

By: /s/ SETH W. HAMOT

Name: Seth W. Hamot
Title: Manager

/s/ SETH W. HAMOT

Seth W. Hamot

WHITE BAY CAPITAL MANAGEMENT, LLC

By: /s/ ANDREW R. SIEGEL

Name: Andrew R. Siegel
Title: Manager

/s/ ANDREW R. SIEGEL

Andrew R. Siegel

EXHIBIT INDEX

Exhibit 1 Joint Filing Agreement, dated as of June 3, 2005.

EXHIBIT 1 - JOINT FILING STATEMENT

Pursuant to Rule 13d-1(k)(1), we, the undersigned, hereby express our agreement that the Amendment No. 2 to Schedule 13D for Telos Corporation is filed on behalf of each of us. This agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Dated: June 3, 2005

COSTA BRAVA PARTNERSHIP III, LP

By: Roark, Rearden & Hamot, LLC
Its General Partner

By: /s/ SETH W. HAMOT

Name: Seth W. Hamot
Title: Manager

ROARK, REARDEN & HAMOT, LLC

By: /s/ SETH W. HAMOT

Name: Seth W. Hamot
Title: Manager

/s/ SETH W. HAMOT

Seth W. Hamot

WHITE BAY CAPITAL MANAGEMENT, LLC

By: /s/ ANDREW R. SIEGEL

Name: Andrew R. Siegel
Title: Manager

/s/ ANDREW R. SIEGEL

Andrew R. Siegel