

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>Costa Brava Partnership III LP</u>  (Last) (First) (Middle) 222 BERKELEY STREET, 17TH FLOOR  (Street) BOSTON MA 02116  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>TELOS CORP [ TLSRP ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  Director <input checked="" type="checkbox"/> 10% Owner  Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) 10/27/2010	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line)  <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
12% Cumulative Exchangeable Redeemable Preferred Stock	10/27/2010		J <sup>(1)</sup>		101,639	D	\$0 <sup>(1)</sup>	405,172	D <sup>(2)</sup>	

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	Date Exercisable	Expiration Date					

1. Name and Address of Reporting Person\*  
Costa Brava Partnership III LP  
 (Last) (First) (Middle)  
 222 BERKELEY STREET, 17TH FLOOR  
 (Street)  
 BOSTON MA 02116  
 (City) (State) (Zip)

1. Name and Address of Reporting Person\*  
Roark, Rearden & Hamot LLC  
 (Last) (First) (Middle)  
 222 BERKELEY STREET, 17TH FLOOR  
 (Street)  
 BOSTON MA 02116  
 (City) (State) (Zip)

1. Name and Address of Reporting Person\*  
HAMOT SETH W  
 (Last) (First) (Middle)  
 222 BERKELEY STREET, 17TH FLOOR  
 (Street)

BOSTON MA 02116

(City) (State) (Zip)

**Explanation of Responses:**

1. On October 27, 2010, Costa Brava Partnership III L.P. made an in-kind distribution of 101,639 shares of the securities reported to certain of its limited partners. No consideration was paid by the limited partners in the transaction.
2. The securities reported as directly beneficially owned by Costa Brava Partnership III L.P. may be deemed to be indirectly beneficially owned by Roark, Rearden & Hamot, LLC and Seth W. Hamot. Seth W. Hamot is the President and sole member of Roark, Rearden & Hamot, LLC, which is the sole general partner of Costa Brava Partnership III L.P. Pursuant to instruction 4(b)(iv) of Form 4, Roark, Rearden & Hamot, LLC and Seth W. Hamot have elected to report as indirectly beneficially owning the entire number of securities owned by such limited partnership, however each of them disclaims beneficial ownership of any securities, and any proceeds thereof, that exceed its or his pecuniary interest therein and/or that are not actually distributed to it or him.

**Remarks:**

/s/ Seth W. Hamot, individually  
and as Managing Member of  
Roark, Rearden & Hamot, 10/28/2010  
LLC, General Partner of Costa  
Brava Partnership III L.P.

\*\* Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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