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EMERALD ADVISERS INC/PA
Form SC 13D/A
May 05, 2003

OMB APPROVAL

OMB Number: 3235-0145

Expires: December 31, 2005

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Schedule 13D

INFORMATION TO BE INCLUDED IN STATEMENTS FILED
PURSUANT TO RULE 13d-1 (A) AND AMENDMENTS THERETO
FILED PURSUANT TO RULE 13d-2 (a)

(Amendment No. 2)

Environmental Tectonics Corporation

(Name of Issuer)

Common Stock

(Title of Class of Securities)

294092-10-1

(CUSIP Number)

William W. Matthews, Esq.
Klehr, Harrison, Harvey, Branzburg & Ellers LLP
260 South Broad Street
Philadelphia, PA 19102

(Name, Address And Telephone Number Of Person
Authorized To Receive Notices And Communications)

April 24, 2003

(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(e), 13d-1(f) or 13d-1(g), check the following box

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CUSIP No. 294092-10-1 13D Page 2 of 12

1. NAME OF REPORTING PERSON
 S.S OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY):
 William F. Mitchell(1)

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

3. SEC USE ONLY

4. SOURCE OF FUNDS*
 (See Item 3 below)

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

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER 1,469,198 shares of Common Stock
	8.	SHARED VOTING POWER -0- shares of Common Stock
	9.	SOLE DISPOSITIVE POWER 1,469,198 shares of Common Stock
	10.	SHARED DISPOSITIVE POWER -0- shares of Common Stock

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 1,469,198(2) shares of Common Stock

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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
 20.53%

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14. TYPE OF REPORTING PERSON
IN

CUSIP No. 294092-10-1 13D Page 3 of 12

1. NAME OF REPORTING PERSON
S.S OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY):

Pete L. Stephens, M.D.(1)

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

3. SEC USE ONLY

4. SOURCE OF FUNDS*
(See Item 3 below)

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

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER 702,600 shares of Common Stock
	8.	SHARED VOTING POWER -0- shares of Common Stock
	9.	SOLE DISPOSITIVE POWER 702,600 shares of Common Stock
	10.	SHARED DISPOSITIVE POWER -0- shares of Common Stock

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
702,600 shares of Common Stock

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

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13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
9.82%

14. TYPE OF REPORTING PERSON
IN

CUSIP No. 294092-10-1 13D Page 4 of 12

1. NAME OF REPORTING PERSON
S.S OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY):

Emerald Advisers, Inc.(1)
23-2664857

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

3. SEC USE ONLY

4. SOURCE OF FUNDS*
(See Item 3 below)

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) OR 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION
Pennsylvania

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER 869,360 shares of Common Stock
	8.	SHARED VOTING POWER -0- shares of Common Stock
	9.	SOLE DISPOSITIVE POWER 1,442,500 shares of Common Stock
	10.	SHARED DISPOSITIVE POWER -0- shares of Common Stock

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11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,442,500 shares of Common Stock

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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
20.15%

14. TYPE OF REPORTING PERSON
CO

CUSIP No. 294092-10-1 13D Page 5 of 12

1. NAME OF REPORTING PERSON
S.S OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY):

ETC Asset Management, LLC(1)
63-1280098

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

3. SEC USE ONLY

4. SOURCE OF FUNDS*

(See Item 3 below)

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Alabama

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		7.		SOLE VOTING POWER 972,520 shares of Common Stock, of which 437,820 shares are issuable upon exercise of warrants.
		8.		SHARED VOTING POWER 145,000 shares of Common Stock
		9.		SOLE DISPOSITIVE POWER

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| | 972,520 shares of Common Stock, of which 437,820
| | shares are issuable upon exercise of warrants.

| 10. | SHARED DISPOSITIVE POWER
| | 145,000 shares of Common Stock

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,117,520 shares of Common Stock, of which 437,820 shares are
issuable upon exercise of warrants.

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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
14.7%. Calculated based on issued and outstanding shares of
Common Stock on April 29, 2003, as provided by the Company's
Chief Financial officer (7,157,239), increased by the shares
to be issued upon the exercise of warrants (437,820) for a
total of 7,595,059.

14. TYPE OF REPORTING PERSON
OO (Limited Liability Company)

CUSIP No. 294092-10-1 13D Page 6 of 12

- (1) The Filing Persons are submitting this statement to terminate their status as a group in connection with the expiration of a Voting Agreement that the Filing Persons entered into on February 19, 2003. A copy of the Voting Agreement is attached to this statement and is made a part hereof.
- (2) William F. Mitchell's wife owns 155,200 shares of Common Stock, all of which Mr. Mitchell disclaims beneficial ownership for purposes of this Statement.

CUSIP No. 294092-10-1 13D Page 7 of 12

Item 1. Security and Issuer.

This statement relates to the common stock (the "Common Stock") of Environmental Tectonics Corporation (the "Company"). The Company's principal offices are located at County Line Industrial Park, Southampton, Pennsylvania 18966.

Item 2. Identity and Background.

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(a) This statement is being filed by (i) William F. Mitchell with respect to shares beneficially owned by him; (ii) Pete L. Stephens, M.D. with respect to shares beneficially owned by him, (iii) Emerald Advisers, Inc., a Pennsylvania corporation ("Emerald"), with respect to shares beneficially owned by it; and (iv) ETC Asset Management, LLC, an Alabama limited liability company ("EAM"), with respect to shares beneficially owned by it. Mr. Mitchell, Dr. Stephens, Emerald and EAM are collectively referred to herein as the "Filing Persons." The undersigned hereby file this statement on Schedule 13D on behalf of the Filing Persons pursuant to Rule 13d-1(k)(1)-(2) under the Securities Exchange Act of 1934, as amended (the "Act"). The Filing Persons are making this single, joint filing to amend Amendment No. 1 to Schedule 13 D filed by the Filing Persons on March 7, 2003, which amended Schedule 13D filed by the Filing Persons on March 3, 2003.

(b) The business address of Mr. Mitchell and Dr. Stephens is County Line Industrial Park, Southampton, Pennsylvania 18966. The business address of Emerald is 1703 Oregon Pike, Suite 101, Lancaster, Pennsylvania 17601. The business address of EAM is 50 Midtown Park East, Mobile, Alabama 36606.

(c) Mr. Mitchell's principal occupation is Chief Executive Officer and Chairman of the Board of the Company. Dr. Stephens is a retired physician who was engaged in the practice of medicine for over 30 years and is currently a director of the Company. The principal business of Emerald is that of an Investment Adviser registered under Section 203 of the Investment Advisers Act of 1940. EAM is a limited liability company that was formed to own and manage its members' investment in the Company.

(d) During the last five years, none of the Filing Persons have been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

CUSIP No. 294092-10-1 13D Page 8 of 12

(e) During the last five years, none of the Filing Persons have been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which he or it was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Each of Mr. Mitchell and Dr. Stephens is a citizen of the United States.

Item 3. Source and Amount of Funds or Other Consideration.

The Filing Persons are submitting this statement in connection with a Stockholders Voting Agreement which was entered into on of February 19, 2003 (the "Voting Agreement") and expired by its terms on April 24, 2003. There was no purchase of securities made by the Filing Persons in connection with the Voting Agreement. Accordingly, the requirements of this item are not applicable.

Item 4. Purpose of Transaction.

Pursuant to the rules of the American Stock Exchange, any time an issuer contemplates issuing securities that are exercisable or convertible into shares of its Common Stock equal to at least 20% of its issued and outstanding shares of Common Stock, any of which have an exercise price that is less than the

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greater of book value or the fair market value of the Common Stock, the issuer's shareholders must approve the issuance of such securities. As the Transaction (as defined in Item 6) obligates the Company to issue securities in excess of these limits, the Company must obtain its shareholders' approval of the Transaction. In connection with the closing of the Transaction, the Filing Persons entered into the Voting Agreement, whereby each of the Filing Persons agreed to vote all shares of Common Stock over which each such Filing Person had voting control in favor of the Transaction. The Filing Persons entered into the Voting Agreement because they believed that it was in the best interests of the Company for the Transaction to be consummated. On April 24, 2003, during a Special Meeting of the Company's shareholders called for such purpose, holders representing 99.5% of the votes cast at the meeting approved the Transaction. As a result, in accordance with its terms, the Voting Agreement expired on such date.

CUSIP No. 294092-10-1

13D

Page 9 of 12

Item 5. Interest in Securities of the Issuer.

(a) Mr. Mitchell beneficially owns 2,364,550 shares of Common Stock, which constitutes 33.04% of the Common Stock outstanding (based upon 7,157,239 shares of Common Stock issued and outstanding as of April 29, 2003, as reported by the Company's Chief Financial Officer).

Dr. Stephens beneficially owns 702,600 shares of Common Stock, which constitutes 9.8% of the Common Stock outstanding (based upon 7,157,239 shares of Common Stock issued and outstanding as of April 29, 2003, as reported by the Company's Chief Financial Officer).

Emerald beneficially owns 1,442,500 shares of Common Stock, which constitutes 20.15% of the Common Stock outstanding (based upon 7,157,239 shares of Common Stock issued and outstanding as of April 29, 2003, as reported by the Company's Chief Financial Officer).

EAM beneficially owns 1,117,520 shares of Common Stock, which constitutes 14.7% of the Common Stock outstanding (based upon 7,157,239 shares of Common Stock issued and outstanding as of April 29, 2003, as reported by the Company's Chief Financial Officer, plus 437,820 shares of Common Stock issuable upon exercise of warrants).

(b) Mr. Mitchell has the sole voting power and power to dispose of 1,469,198 shares of Common Stock.

Dr. Stephens has the sole voting power and sole power to dispose of 702,600 shares of Common Stock.

Emerald has sole voting power with respect to 869,360 shares of Common Stock and has sole dispositive power with respect to 1,442,500 shares of Common Stock.

EAM has sole voting power and sole dispositive power with respect to 972,520 shares of Common Stock, 437,820 shares of which are issuable upon exercise of its warrants. EAM shares dispositive power with respect to 17,000 shares of Common Stock with Allied Williams Co., Inc., a Delaware corporation whose business address is 50 Midtown Park East, Mobile, Alabama 36606. Allied Williams Co., Inc. is a holding company that owns and operates diversified services companies. EAM shares dispositive power with respect to 26,900 shares of Common Stock with Equity Management, LLC, an Alabama limited liability

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company whose business address is 50 Midtown Park East, Mobile, Alabama 36606. Equity Management, LLC, owns and manages various investments. EAM shares voting power and dispositive power with respect to 101,100 shares of Common Stock with T. Todd Martin, III. Mr. Martin is the manager of EAM. During the last five years, neither Allied Williams Co.,

CUSIP No. 294092-10-1

13D

Page 10 of 12

Inc. nor Equity Management, LLC have been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which it was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(c) In the past 60 days or since the most recent filing on Schedule 13D by such parties, the parties to this Agreement effected the following transactions:

On March 11, 2003, Emerald sold a total of 4,300 shares of Common Stock; from April 21, 2003 to April 30, 2003, Emerald sold an additional 3,900 shares of Common Stock; and from March 21, 2003 to April 23, 2003, Emerald purchased 7,500 shares of Common Stock, all as more fully described on Annex A, attached hereto and made a part hereof.

From April 17, 2003 to April 21, 2003, EAM purchased 34,700 shares of Common Stock and on March 18, 2003, T. Todd Martin, manager of EAM, purchased 3,800 shares of Common Stock, as more fully described on Annex B attached hereto and made a part hereof.

(d) N/A

(e) N/A

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

The Filing Persons are submitting this statement in connection with the expiration of the Voting Agreement that the Filing Persons entered into on February 19, 2003. A copy of the Voting Agreement is attached to this statement and is made a part hereof. Under the terms of the Voting Agreement, each Filing Person agreed to vote his or its shares of Common Stock in favor of the approval and adoption of a series of transactions pursuant to which the Company issued (i) a \$10,000,000 convertible subordinated secured promissory note and (ii) warrants to purchase an aggregate of 803,048 shares of Common Stock (subject to adjustment) (collectively, the "Transaction") at any meeting of the shareholders of the Company at which the Transaction is submitted to a vote of the Company's shareholders.

In order to ensure such vote, each of the Filing Persons executed and delivered to Mr. Mitchell an irrevocable proxy granting Mr. Mitchell the right to vote all shares of Common Stock now owned or hereafter registered in the name of such parties, provided that, Emerald may

CUSIP No. 294092-10-1

13D

Page 11 of 12

transfer any of its shares of Common Stock prior to the termination of the Agreement and such transferred shares shall no longer be subject to the Agreement unless the transferee consents to applicability of the Agreement to such transferred shares. This Voting Agreement and the related proxies relate solely to the approval of the Transaction and are not effective with respect to any other matters presented to the shareholders of the Company for a vote. The Voting Agreement and the proxies remain in effect only until the earlier of (i) June 18, 2003 and (ii) the day immediately following the date of any meeting of the Company's shareholders at which the Transaction is approved by the Company's shareholders. On April 24, 2003, during a Special Meeting of the Company's shareholders called for such purpose, holders representing 99.5% of the votes cast at the meeting approved the Transaction. As a result, in accordance with its terms, the Voting Agreement expired on such date.

Item 7. Material to be Filed as Exhibits.

Attached hereto as Exhibit 99.1 is a copy of the Voting Agreement.

CUSIP No. 294092-10-1

13D

Page 12 of 12

SIGNATURE

After reasonable inquiry and to the best of their knowledge and belief, each of the parties set forth below certifies that the information set forth in this statement is true, complete and correct.

Date: May , 2003

William F. Mitchell

Pete L. Stephens, M.D.

EMERALD ADVISERS, INC.

By: _____
Ken Mertz, President

ETC Asset Management, LLC

By: _____
T. Todd Martin, III
Manager

ANNEX A

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Name	Date of Transaction	Amount of Securities	Price Per Share	How Tran
Emerald Advisers, Inc.	3/11/03 Sell	145	\$ 5.80	
Emerald Advisers, Inc.	3/11/03 Sell	955	\$ 5.80	
Emerald Advisers, Inc.	3/11/03 Sell	550	\$ 5.80	
Emerald Advisers, Inc.	3/11/03 Sell	85	\$ 5.80	
Emerald Advisers, Inc.	3/11/03 Sell	300	\$ 5.80	
Emerald Advisers, Inc.	3/11/03 Sell	935	\$ 5.80	
Emerald Advisers, Inc.	3/11/03 Sell	1,330	\$ 5.80	
Emerald Advisers, Inc.	3/21/03 Buy	200	\$ 5.91	
Emerald Advisers, Inc.	3/28/03 Buy	200	\$ 5.86	
Emerald Advisers, Inc.	3/31/03 Buy	200	\$ 5.95	
Emerald Advisers, Inc.	4/01/03 Buy	400	\$ 5.81	
Emerald Advisers, Inc.	4/02/03 Buy	200	\$ 5.77	
Emerald Advisers, Inc.	4/03/03 Buy	500	\$ 5.73	
Emerald Advisers, Inc.	4/09/03 Buy	3,000	\$ 5.39	
Emerald Advisers, Inc.	4/10/03 Buy	1,700	\$ 5.27	
Emerald Advisers, Inc.	4/11/03 Sell	600	\$ 5.21	
Emerald Advisers, Inc.	4/21/03 Sell	935	\$ 5.64	
Emerald Advisers, Inc.	4/21/03 Sell	865	\$ 5.63	
Emerald Advisers, Inc.	4/22/03 Sell	1,600	\$ 5.79	
Emerald Advisers, Inc.	4/23/03 Buy	500	\$ 5.77	
Emerald Advisers, Inc.	4/30/03 Sell	500	\$ 5.82	

ANNEX B

Transactions in Last 60 Days

ETC Asset Management, LLC and T. Todd Martin, III (its manager) have purchased a total of 38,500 shares in the last 60 days as follows:

Amount of

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Purchaser	Date of Transaction	Securities Acquired	Price Per Share
ETC Asset Management, LLC	4/21/03	1,800	\$5.45
ETC Asset Management, LLC	4/21/03	13,200	\$5.60

Purchaser	Date of Transaction	Amount of Securities Acquired	Price Per Share
ETC Asset Management, LLC	4/17/03	3,100	\$5.00
ETC Asset Management, LLC	4/17/03	1,900	\$5.00
ETC Asset Management, LLC	4/17/03	1,000	\$5.01
ETC Asset Management, LLC	4/17/03	1,200	\$5.03
ETC Asset Management, LLC	4/17/03	1,200	\$5.04
ETC Asset Management, LLC	4/17/03	1,200	\$5.05
ETC Asset Management, LLC	4/17/03	1,200	\$5.06
ETC Asset Management, LLC	4/17/03	1,300	\$5.07
ETC Asset Management, LLC	4/17/03	2,500	\$5.01
ETC Asset Management, LLC	4/17/03	1,400	\$5.04
ETC Asset Management, LLC	4/17/03	1,400	\$5.05
ETC Asset Management, LLC	4/17/03	2,300	\$5.07

Purchaser	Date of Transaction	Amount of Securities Acquired	Price Per Share
T. Todd Martin, III	3/18/03	1,500	\$5.75
T. Todd Martin, III	3/18/03	1,000	\$5.90
T. Todd Martin, III	3/18/03	500	\$5.85
T. Todd Martin, III	3/18/03	400	\$5.74
T. Todd Martin, III	3/18/03	400	\$5.73