

EMERALD ADVISERS INC/PA
Form SC 13D/A
March 07, 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. 1)

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)

March 4, 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

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11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
3,833,748 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)
53.6%

14. TYPE OF REPORTING PERSON
IN

CUSIP No. 294092-10-1

13D

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

Pete L. Stephens, M.D.

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

3. SEC USE ONLY

4. SOURCE OF FUNDS*

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

7. SOLE VOTING POWER
NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
-0- shares of Common Stock

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EACH
REPORTING
PERSON
WITH

8. SHARED VOTING POWER
702,600 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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
9.8%

14. TYPE OF REPORTING PERSON
IN

CUSIP No. 294092-10-1

13D

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

Emerald Advisers, Inc.
23-2664857

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

3. SEC USE ONLY

4. SOURCE OF FUNDS*

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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 -0- shares of Common Stock
	8. SHARED VOTING POWER 865,550 shares of Common Stock
	9. SOLE DISPOSITIVE POWER 1,461,240 shares of Common Stock
	10. SHARED DISPOSITIVE POWER -0- shares of Common Stock

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,461,240 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)
20.4%

14. TYPE OF REPORTING PERSON
CO

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

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ETC Asset Management, LLC
63-1280098

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

3. SEC USE ONLY

4. SOURCE OF FUNDS*

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

7. SOLE VOTING POWER
NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH
-0- shares of Common Stock

8. SHARED VOTING POWER
1,079,020 shares of Common Stock, of which 437,820
shares are issuable upon exercise of warrants.

9. SOLE DISPOSITIVE POWER
1,079,020 shares of Common Stock, of which 437,820
shares are issuable upon exercise of warrants.

10. SHARED DISPOSITIVE POWER
43,900 shares of Common Stock.

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,079,020 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)
14.2%. Calculated based on issued and outstanding shares of
Common Stock on February 11, 2003, as provided by the Company's
Chief Financial officer (7,157,239), increased by the shares to

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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)

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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.

(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 because they may be deemed to constitute a "group" within the meaning of Section 13(d)(3) of the Act.

(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 ETC 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 engaged in the practice of medicine for over 30 years. 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).

(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 they entered into as of February 19, 2003 (the "Voting Agreement"). 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 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 the Transaction, the Filing Persons entered into the Voting Agreement. 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.

Item 5. Interest in Securities of the Issuer.

(a) Mr. Mitchell beneficially owns 3,833,748 shares of Common Stock, which constitutes 53.6% of the Common Stock outstanding (based upon 7,157,239 shares of Common Stock issued and outstanding as of February 11, 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 February 11, 2003, as reported by the Company's Chief Financial Officer).

Emerald beneficially owns 1,461,240 shares of Common Stock, which constitutes 20.4% of the Common Stock outstanding (based upon 7,157,239 shares of Common Stock issued and outstanding as of February 11, 2003, as reported by the Company's Chief Financial Officer).

EAM beneficially owns 1,079,020 shares of Common Stock, which constitutes 14.2% of the Common Stock outstanding (based upon 7,157,239 shares

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William F. Mitchell

/s/ Pete L. Stephens, M.D.

Pete L. Stephens, M.D.

EMERALD ADVISERS, INC.

By: /s/ Ken Mertz

Ken Mertz, President

ETC Asset Management, LLC

By: /s/ T. Todd Martin, III

T. Todd Martin, III
Manager