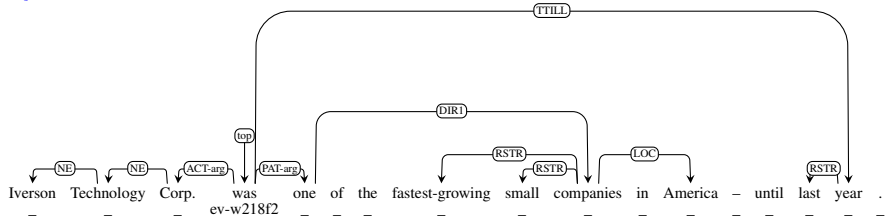
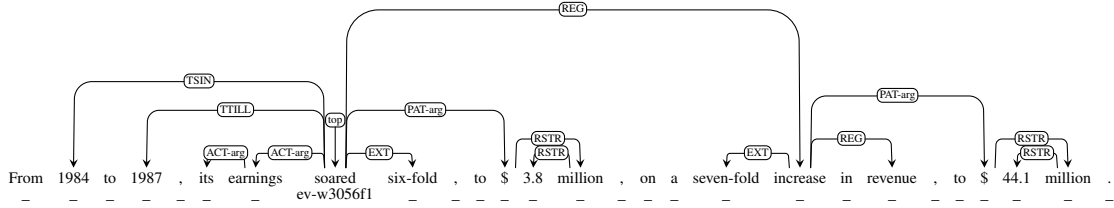


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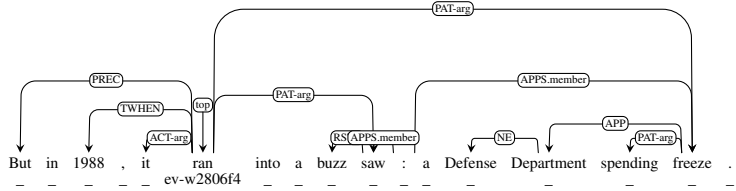
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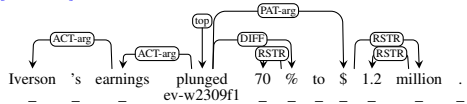
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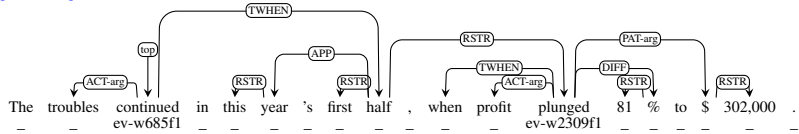
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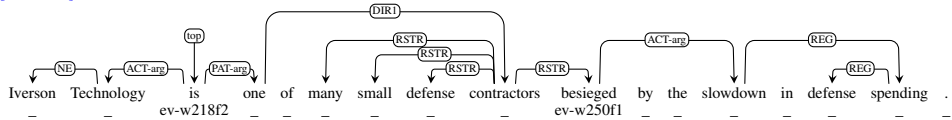
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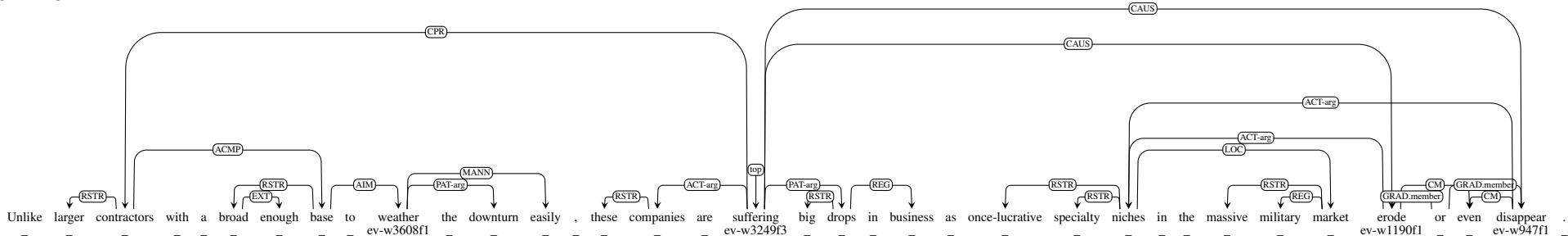
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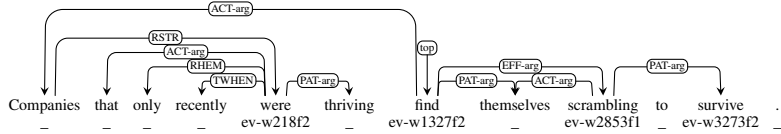
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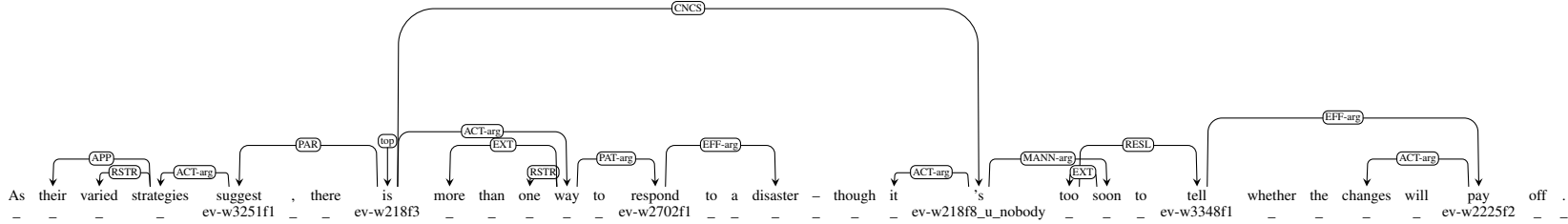
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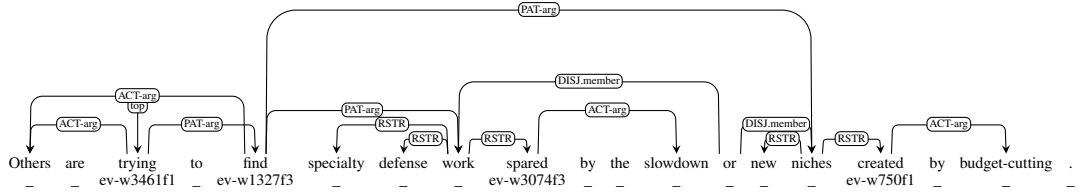
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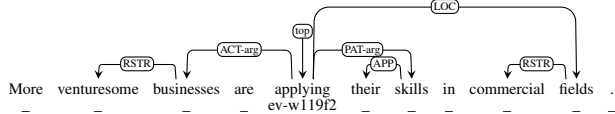
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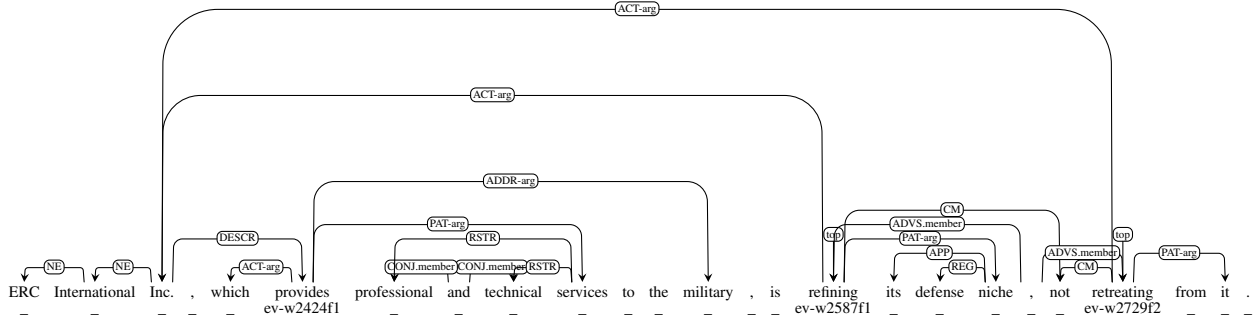
[20799012]



[20799013]



[20799014]



[20799016]

In the belief that development of advanced military technology will remain a top Defense Department priority . ERC last year acquired W.J. Schafer Associates , a technical and scientific analysis company with contracts under the Strategic Defense Initiative .

[20799017]

While the SDI anti-missile program recently awarded W.J. Schafer two contracts totaling \$ 13.4 million , ERC 's chairman and founder , Jack Aalseth , says he bought the company " more for its technology than its customer . "

[20799019]

As orders for its aircraft and submarine parts dwindled , three years of steady growth ended with a 69 % drop in income in this year 's first half .

[20799021]

Among the company 's current efforts : repairing old parts at 25 % of the cost of replacing them .

[20799022]

UNC also is selling new parts , if needed , directly to the military instead of through a prime contractor .

[20799023]

At as little as one-third of the government 's cost , the company is running a program to train Army helicopter pilots .

[20799024]

It is also taking over the maintenance of certain Navy aircraft with 40 % fewer people than the military used .

[20799025]

In another approach , tiny Iverson Technology is trying to resume its growth by braving the new world of commercial products .

[20799026]

Donald Iverson , chairman , says he hopes the company can eventually get up to half of its revenue from commercial markets .

[20799027]

For now , he says , " we 're looking at buying some small companies with niche markets in the personal-computer business . "

[20799028]

Earlier this month , Mr. Iverson agreed to buy exclusive rights to a software system developed by Visher Systems Inc. , Salt Lake City .

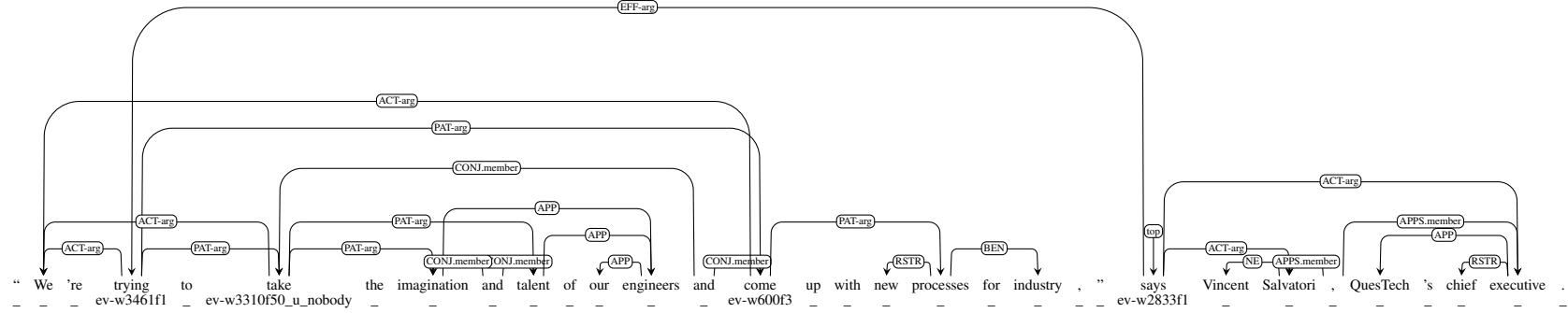
[20799031]

QuesTech Inc. , Falls Church , Va. , also has acquired some companies outside the military market .

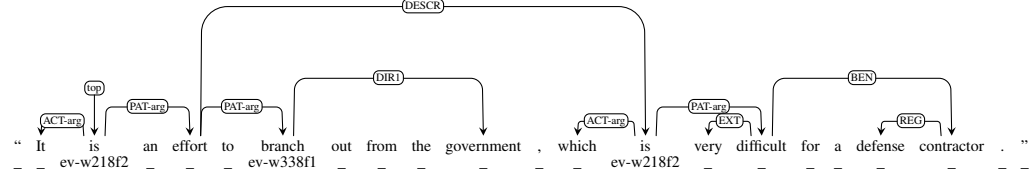
[20799032]

Moreover , it 's trying to transfer its skill at designing military equipment to commercial ventures .

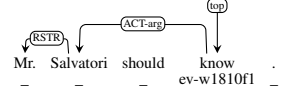
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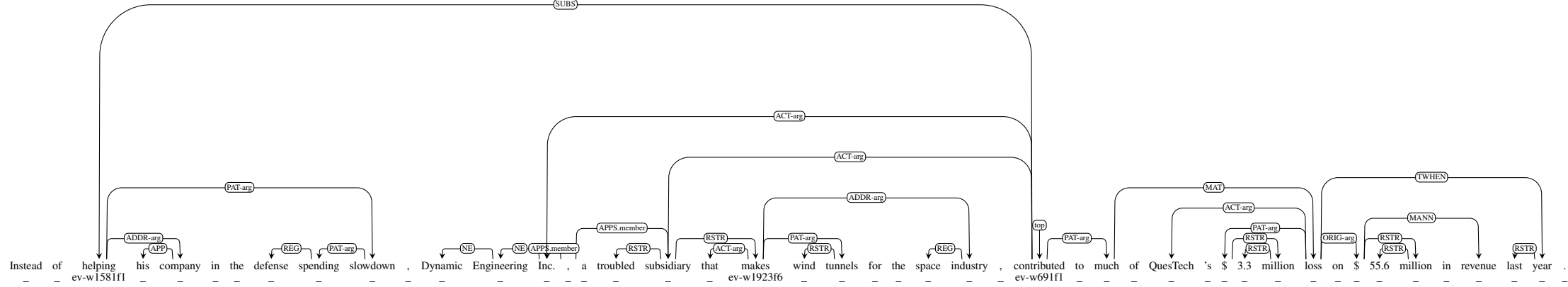
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[20799036]



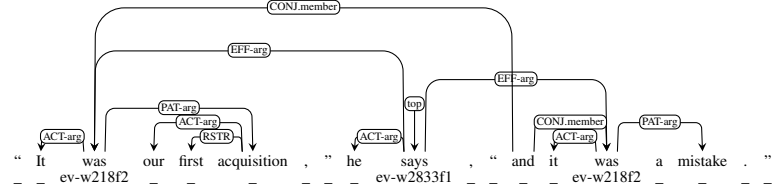
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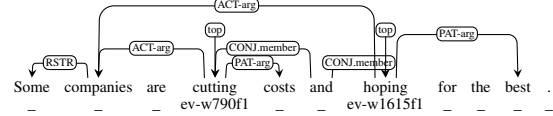
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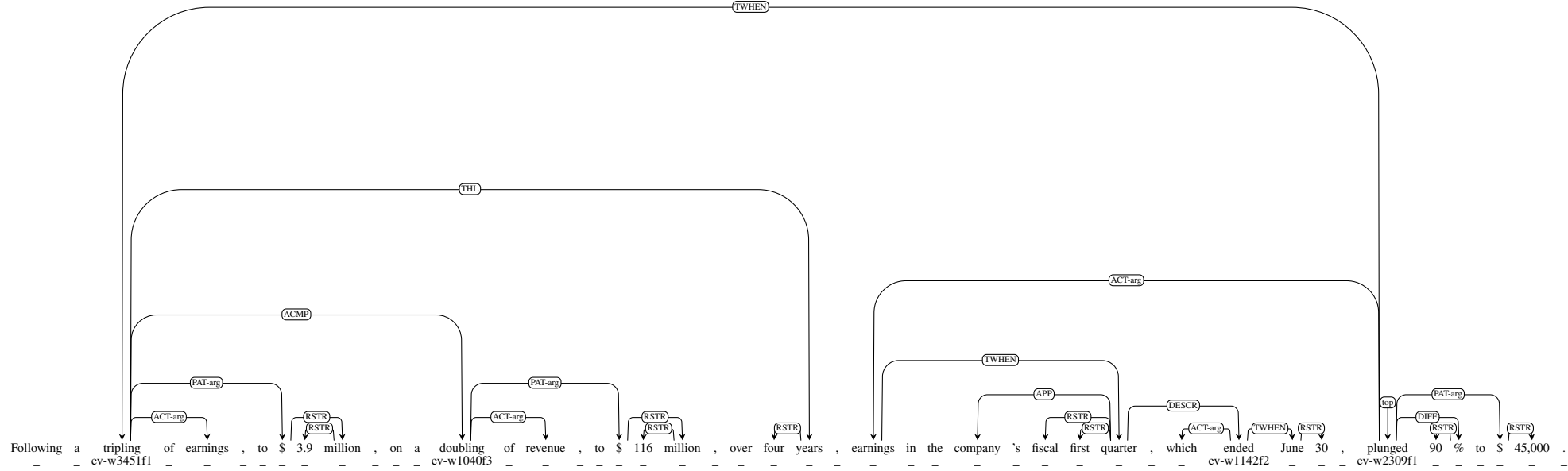
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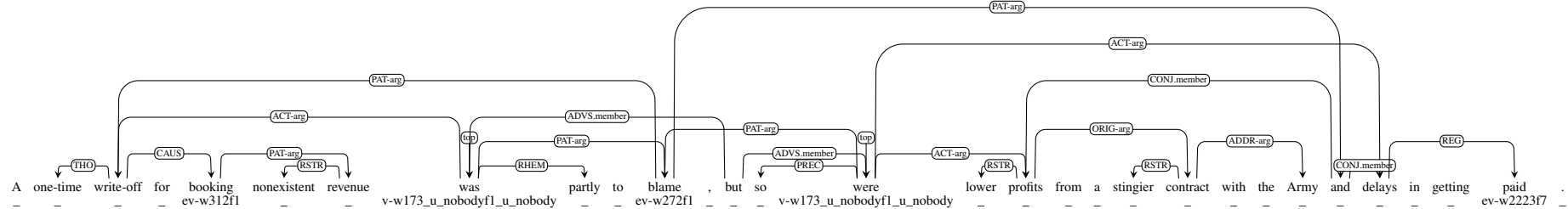
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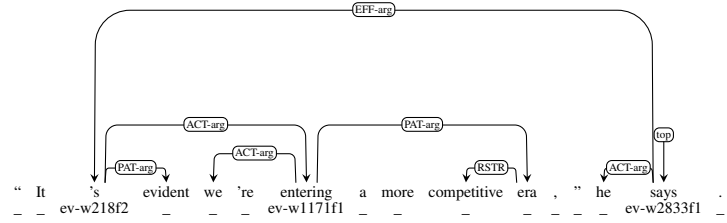
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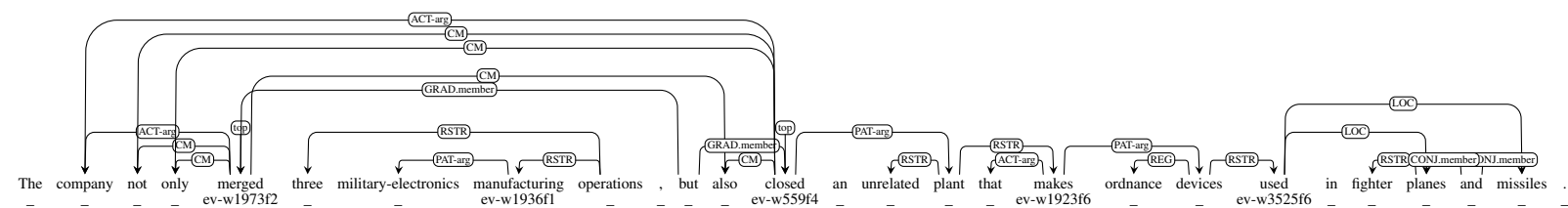
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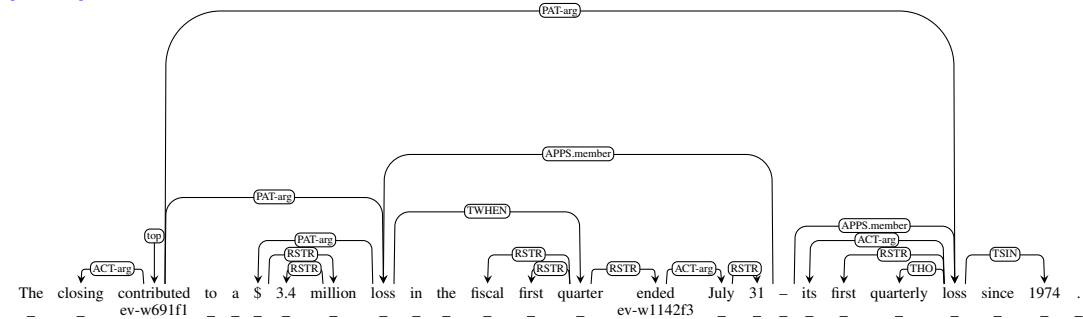
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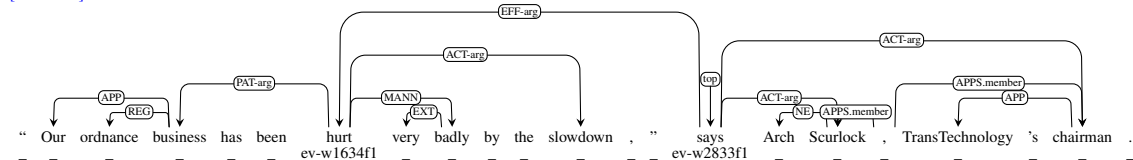
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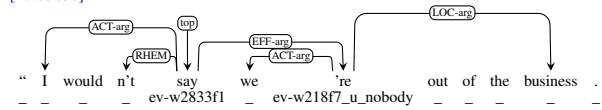
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[20799049]



[20799050]



[20799051]

