

GSE SYSTEMS INC  
 Form 4  
 July 01, 2016

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

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

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Grady Gill R

(Last) (First) (Middle)

C/O GSE SYSTEMS, INC., 1332  
 LONDONTOWN BLVD.

(Street)

SYKESVILLE, MD 21784

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
 GSE SYSTEMS INC [GVP]

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 07/01/2016

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

Sr. Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 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 Ownership (Instr. 4)
			Code	V	Amount	(D)	Price

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

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SEC 1474  
 (9-02)

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

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares
				Code	V				
Performance Rights	<u>(1)</u>	07/01/2016	<u>J</u>	(1)	7,500	<u>(1)</u>	<u>(1)</u>	Common Stock	7,500
Performance Rights	<u>(1)</u>	07/01/2016	A	(1)	7,500	<u>(1)</u>	10/30/2021	Common Stock	7,500

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Grady Gill R C/O GSE SYSTEMS, INC. 1332 LONDONTOWN BLVD. SYKESVILLE, MD 21784			Sr. Vice President	

## Signatures

/s/ Gill R Grady                      07/01/2016

     \*\*Signature of                      Date  
Reporting Person

## Explanation of Responses:

\* 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).

(1) The two reported transactions involve an amendment of the terms of performance-restricted stock units ("RSUs") to reduce the time period during which the Volume Weighted Average Price ("VWAP") target must be attained for the RSUs to vest from a 90 to a 30 consecutive trading day period ("30-Day Period") and resulting in the deemed cancellation of the "old" RSUs and the grant of replacement RSUs. The RSUs were originally granted on 10/30/2015, in connection with the reporting person's service as the Sr VP of the Issuer and vest as follows: 7,500 RSUs will vest in their entirety if the VWAP of the Issuer's Common Stock as quoted on the NYSE MKT exceeds \$2.50 for a 30-Day Period.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.