

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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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 *
 Loudermilk Kyle Justin

(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)
 Chief Executive Officer & Pres

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)
				(A) or (D)	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 Acquired (A) or	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying Security (Instr. 3 and
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8) Code V	Disposed of (D)		Date Exercisable	Expiration Date	Title
				(Instr. 3, 4, and 5) (A)	(D)			
Restricted Stock Units	<u>(1)</u>	07/01/2016	<u>J(1)</u>		450,000	<u>(1)</u>	<u>(1)</u>	Common Stock
Performance Rights	<u>(2)</u>	07/01/2016	A		180,000	<u>(2)</u>	06/30/2021	Common Stock
Performance Rights	<u>(3)</u>	07/01/2016	A		270,000	<u>(3)</u>	06/30/2021	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Loudermilk Kyle Justin C/O GSE SYSTEMS, INC 1332 LONDONTOWN BLVD SYKESVILLE, MD 21784	X		Chief Executive Officer & Pres	

Signatures

/s/ Kyle Justin
Loudermilk
07/01/2016

**Signature of Reporting Person Date

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) On August 3, 2015, the reporting person was granted 850,000 performance-restricted stock units ("RSUs") in connection with his service as the Chief Executive Officer and President of the Issuer. The grant of 450,000 of those RSUs was rescinded on July 1, 2016, and the remaining 400,000 RSUs will continue to vest as follows: 200,000 RSUs will vest in their entirety if the Volume Weighted Average Price of the Issuer's Common Stock as quoted on the NYSE MKT exceeds \$2.50 for a 30 consecutive trading day period and 200,000 RSUs will vest in their entirety if the Volume Weighted Average Price of the Issuer's Common Stock as quoted on the NYSE MKT exceeds \$3.25 for a 30 consecutive trading day period.

(2) Each performance right represents a contingent right to receive a cash payment in an amount equal to the fair market value of one share of Issuer Common Stock. The 180,000 performance rights will vest in their entirety if the Volume Weighted Average Price of the Issuer's Common Stock as quoted on the NYSE MKT exceeds \$6.00 for a 30 consecutive trading day period.

(3) Each performance right represents a contingent right to receive one share of Issuer Common Stock. The performance rights vest as follows: 200,000 performance rights will vest in their entirety if the Volume Weighted Average Price of the Issuer's Common Stock as quoted on the NYSE MKT exceeds \$4.25 for a 30 consecutive trading day period and 70,000 performance rights will vest in their entirety if the Volume Weighted Average Price of the Issuer's Common Stock as quoted on the NYSE MKT exceeds \$6.00 for a 30 consecutive trading 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.

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