

PEDERSEN GEORGE J  
 Form 4  
 December 14, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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 \*  
**PEDERSEN GEORGE J**

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 7133 RUTHERFORD RD, SUITE 200

3. Date of Earliest Transaction (Month/Day/Year)  
 12/12/2007

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

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

BALTIMORE, MD 21244

(City) (State) (Zip)

**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 (A) or (D) Price		
Common Stock	12/12/2007		M		8,300 A \$ 2 64,550	D	
Common Stock	12/12/2007		S		100 D \$ 9.84 64,450	D	
Common Stock	12/12/2007		S		200 D \$ 9.86 64,250	D	
Common Stock	12/12/2007		S		300 D \$ 9.88 63,950	D	
Common Stock	12/12/2007		S		900 D \$ 9.89 63,050	D	

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Common Stock	12/12/2007	S	300	D	\$ 9.9	62,750	D
Common Stock	12/12/2007	S	100	D	\$ 10.02	62,650	D
Common Stock	12/12/2007	S	100	D	\$ 10.04	62,550	D
Common Stock	12/12/2007	S	500	D	\$ 10.05	62,050	D
Common Stock	12/12/2007	S	300	D	\$ 10.07	61,750	D
Common Stock	12/12/2007	S	100	D	\$ 10.09	61,650	D
Common Stock	12/12/2007	S	100	D	\$ 10.11	61,550	D
Common Stock	12/12/2007	S	100	D	\$ 10.13	61,450	D
Common Stock	12/12/2007	S	200	D	\$ 10.15	61,250	D
Common Stock	12/12/2007	S	200	D	\$ 10.17	61,050	D
Common Stock	12/12/2007	S	350	D	\$ 10.2	60,700	D
Common Stock	12/12/2007	S	850	D	\$ 10.21	59,850	D
Common Stock	12/12/2007	S	500	D	\$ 10.23	59,350	D
Common Stock	12/12/2007	S	400	D	\$ 10.24	58,950	D
Common Stock	12/12/2007	S	200	D	\$ 10.25	58,750	D
Common Stock	12/12/2007	S	900	D	\$ 10.25	57,850	D
Comon Stock	12/12/2007	S	200	D	\$ 10.26	57,650	D
Common Stock	12/12/2007	S	600	D	\$ 10.27	57,050	D
Common Stock	12/12/2007	S	400	D	\$ 10.28	56,650	D
Common Stock	12/12/2007	S	200	D	\$ 10.29	56,450	D
	12/12/2007	S	200	D	\$ 10.3	56,250	D

Common  
Stock

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 (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Employee Stock Option	\$ 2	12/12/2007		M	8,300	05/03/2004	05/03/2008	Common Stock	8,300
Employee Stock Option	\$ 8.21					<u>(1)</u>	02/06/2014	Common Stock	10,000
Employee Stock Option	\$ 2.25					<u>(2)</u>	04/06/2008	Common Stock	25,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PEDERSEN GEORGE J 7133 RUTHERFORD RD SUITE 200 BALTIMORE, MD 21244	X			

## Signatures

/s/ George Pedersen  
Date: 12/14/2007

Signature of  
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) Exercisable as follows: 4,000 2/6/2008; 3,000 2/6/2009; 3,000 2/6/2010

(2) Exercisable as follows: 10,000 4/6/1999; 7,500 4/6/2000; 7,500 4/6/2001

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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