

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 \*  
 Pugh Daniel Warren

(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)

SVP, General Counsel & RMO

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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial 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	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) Code V	(A) or (D) (Instr. 3, 4, and 5)	(A)	(D)	Date Exercisable	Expiration Date	Title
Performance Rights	<u>(1)</u>	07/01/2016	J <sup>(1)</sup>		60,000		<u>(1)</u>	<u>(1)</u>	Common Stock
Performance Rights	<u>(1)</u>	07/01/2016	A		60,000		<u>(1)</u>	11/30/2021	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Pugh Daniel Warren C/O GSE SYSTEMS, INC. 1332 LONDONTOWN BLVD SYKESVILLE, MD 21784			SVP, General Counsel & RMO	

## Signatures

/s/ Daniel Warren Pugh 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) 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 2/1/2016, in connection with the reporting person's service as the SVP, General Counsel & RMO of the Issuer and vest as follows: 14,400 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, 14,400 RSUs will vest in their entirety if the VWAP exceeds \$3.25 for a 30-Day Period, 14,400 RSUs will vest in their entirety if the VWAP exceeds \$4.25 for a 30-Day Period, and 16,800 RSUs will vest in their entirety if the VWAP exceeds \$6.00 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.