

GSE SYSTEMS INC
Form 4
August 30, 2007

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 *
Grady Gill R

(Last) (First) (Middle)

7133 RUTHERFORD RD, SUITE 200

(Street)

BALTIMORE, MD 21244

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
08/28/2007

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)
				(A) or (D) Code V Amount Price			
Common Stock	08/28/2007		X	2,025 A \$ 3.875	2,125	D	
Common Stock	08/28/2007		S	2,025 D \$ 6.25	100	D	
Common Stock	08/29/2007		X	975 A \$ 3.875	1,075	D	
Common Stock	08/29/2007		X	2,000 A \$ 3.875	3,075	D	
Common Stock	08/29/2007		S	975 D \$ 6.25	2,100	D	

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Common Stock 08/29/2007 S 2,000 D \$ 6.35 100 D

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

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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	\$ 3.875	08/28/2007		X	2,025	12/01/1997 12/01/2007		Common Stock	2,025
Employee Stock Option	\$ 3.875	08/29/2007		X	2,975	12/01/1997 12/01/2007		Common Stock	2,975
Employee Stock Option	\$ 1.85					03/22/2005 03/22/2012		Common Stock	27,227

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Grady Gill R 7133 RUTHERFORD RD SUITE 200 BALTIMORE, MD 21244			Sr-Vice President	

Signatures

/s/ Gill R Grady 08/30/2007
 **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).

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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