

Grady Gill R  
Form 4  
November 15, 2011

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2015  
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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)  
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)  
11/11/2011

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)
Common Stock				(A) or (D) Price	100	D	

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)**

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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
				Code V (A) (D)		Date Exercisable Expiration Date	Title	Number Shares
Employee Stock Option	\$ 1.85	11/11/2011		A	100,000	(1) 11/11/2018	Common Stock	100,000
Employee Stock Option	\$ 3.4					(2) 10/28/2017	Common Stock	20,000
Employee Stock Option	\$ 5.95					(3) 10/23/2018	Common Stock	40,000
Employee Stock Option	\$ 1.61					(4) 03/14/2013	Common Stock	33,000
Employee Stock Option	\$ 1.85					03/22/2005 03/22/2012	Common Stock	727,000

## Reporting Owners

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

## Signatures

/s/ Gill R. Grady                      11/15/2011

\*\*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) Exercisable as follows: 20,000 11/11/2012; 20,000 11/11/2013; 20,000 11/11/2014; 20,000 11/11/2015; 20,000 11/11/2016

(2) Exercisable as follows: 8,000 10/28/2011; 6,000 10/28/2012; 6,000 10/28/2013

(3) Exercisable as follows: 5,714 10/23/2009; 5,714 10/23/2010; 5,714 10/23/2011; 5,715 10/23/2012; 5,714 10/23/2013; 5,714 10/23/2014; 5,715 10/23/2015

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(4) Exercisable as follows: 22,000 3/14/2007; 16,500 3/14/2008; 16,500 3/14/2009

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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