

GSE SYSTEMS INC
Form 4
August 17, 2016

FORM 4

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

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

OMB APPROVAL

OMB
Number: 3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Sorrells Christopher D.

(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)

08/15/2016

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 Operating Officer

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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	08/15/2016		A	Amount (1) 65,000	Price (2) \$ 0	145,369	D

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

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information contained in this form are not
required to respond unless the form
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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 Underlying Security (Instr. 3 and 4)
				Code V	(A) (D)	Date Exercisable Expiration Date	Title Amount Number Share
Performance Rights	(3)	08/15/2016		A	75,000	(3) 08/15/2021	Common Stock 75,0
Performance Rights	(4)	08/15/2016		A	335,000	(4) 08/15/2021	Common Stock 335,

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Sorrells Christopher D. C/O GSE SYSTEMS, INC 1332 LONDONTOWN BLVD SYKESVILLE, MD 21784	X		Chief Operating Officer	

Signatures

/s/ Christopher D
Sorrells 08/17/2016

**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).

- These shares of common stock represent restricted share units granted pursuant to a Restricted Share Unit Agreement between Mr. Sorrells and the Issuer and are subject to forfeiture. The restricted share units awarded vest in installments of 8,125 shares on each of the following dates: September 30, 2016; December 31, 2016; March 31, 2017; June 30, 2017; September 30, 2017; December 31, 2017; March 31, 2018; and June 30, 2018.
- (2) These restricted share units were granted to Mr. Sorrells for his services as the Chief Operating Officer of the Issuer.
- 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 75,000 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: 125,000 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 \$3.25 for a 30 consecutive trading day period, 125,000 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 85,000 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. 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.