

GSE SYSTEMS INC  
Form SC 13G/A  
February 11, 2008

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 13G  
Under the Securities Exchange Act of 1934  
(Amendment No. 3)\*  
GSE SYSTEMS, INC.**

(Name of Issuer)  
**Common Stock**

(Title of Class of Securities)  
**36227K106**

(CUSIP Number)  
**December 31, 2007**

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications:

Taylor H. Wilson, Esq.  
Haynes and Boone, LLP  
901 Main Street, Suite 3100  
Dallas, Texas 75202  
(214) 651-5000

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CUSIP No. 36227K106

**1** NAMES OF REPORTING PERSONS  
Kaizen Management, L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

**2**  
(a)   
(b)

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION  
Texas

**5** SOLE VOTING POWER  
NUMBER OF 779,021

**6** SHARED VOTING POWER  
SHARES BENEFICIALLY OWNED BY 23,517

**7** SOLE DISPOSITIVE POWER  
EACH REPORTING PERSON WITH: 779,021

**8** SHARED DISPOSITIVE POWER  
23,517

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
802,538

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.2%

**12** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN

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CUSIP No. 36227K106

**1** NAMES OF REPORTING PERSONS  
Kaizen Capital, L.L.C.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

**2**  
(a)   
(b)

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION  
Texas

**5** SOLE VOTING POWER  
NUMBER OF 779,021

**6** SHARED VOTING POWER  
SHARES BENEFICIALLY OWNED BY 23,517

**7** SOLE DISPOSITIVE POWER  
EACH REPORTING PERSON WITH: 779,021

**8** SHARED DISPOSITIVE POWER  
23,517

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
802,538

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.2%

**12** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

OO

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CUSIP No. 36227K106

**1** NAMES OF REPORTING PERSONS  
Select Contrarian Value Partners, L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

**2**  
(a)   
(b)

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION  
Texas

**5** SOLE VOTING POWER  
NUMBER OF 779,021

**6** SHARED VOTING POWER  
SHARES BENEFICIALLY OWNED BY 0

**7** SOLE DISPOSITIVE POWER  
EACH REPORTING PERSON WITH: 779,021

**8** SHARED DISPOSITIVE POWER  
0

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
779,021

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.1%

**12** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN

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CUSIP No. 36227K106

**1** NAMES OF REPORTING PERSONS  
David W. Berry

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

**2**  
(a)   
(b)

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION  
United States

**5** SOLE VOTING POWER  
NUMBER OF 785,021

**6** SHARED VOTING POWER  
SHARES BENEFICIALLY OWNED BY 23,517

**7** SOLE DISPOSITIVE POWER  
EACH REPORTING PERSON WITH: 785,021

**8** SHARED DISPOSITIVE POWER  
23,517

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
808,538

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.3%

**12** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN

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CUSIP No. 36227K106

**1** NAMES OF REPORTING PERSONS  
Spectrum Galaxy Fund, Ltd.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

**2**  
(a)   
(b)

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION  
British Virgin Islands

**5** SOLE VOTING POWER  
NUMBER OF 0

**6** SHARED VOTING POWER  
SHARES BENEFICIALLY OWNED BY 23,517

**7** SOLE DISPOSITIVE POWER  
EACH REPORTING PERSON WITH: 0

**8** SHARED DISPOSITIVE POWER  
23,517

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
23,517

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.2%

**12** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN

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**Item 1.**

**(a) Name of Issuer**

GSE SYSTEMS, INC.

**(b) Address of Issuer's Principal Executive Offices**

7133 Rutherford Rd., Suite 200, Baltimore, MD 21244

**Item 2.**

**(a) Name of Person Filing**

This statement is jointly filed by and on behalf of Select Contrarian Value Partners, L.P., Spectrum Galaxy Fund, Ltd., Kaizen Management, L.P., Kaizen Capital, LLC, and David W. Berry. Kaizen Management is the general partner of, and serves as an investment adviser to, Select. Kaizen Management also serves as the sole investment manager to Spectrum. Kaizen Management may be deemed to beneficially own securities owned and/or held by and/or for the account and/or benefit of each of Select and Spectrum. Kaizen Capital is the general partner of Kaizen Management. Kaizen Capital may be deemed to beneficially own securities owned and/or held by and/or for the account and/or benefit of Kaizen Management. Mr. Berry is the Manager of Kaizen Capital. Mr. Berry may be deemed to beneficially own securities owned and/or held by and/or for the account and/or benefit of Kaizen Capital.

Each reporting person declares that neither the filing of this statement nor anything herein shall be construed as an admission that such person is, for the purposes of Section 13(d) or 13(g) of the Act or any other purpose, the beneficial owner of any securities covered by this statement.

**(b) Address of Principal Business Office or, if none, Residence**

The address of the principal business office of each reporting person is 4200 Montrose Blvd., Suite 400, Houston, Texas 77006.

**(c) Citizenship**

See Item 4 on the cover page(s) hereto.

**(d) Title of Class of Securities**

Common Stock

**(e) CUSIP Number**

36227K106

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**Item 3. If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is:**

- (a) o A Broker or dealer registered under Section 15 of the Act (15 U.S.C. 78o).
- (b) o A Bank as defined in Section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c) o An insurance company as defined in Section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) o An investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e) o An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
- (f) o An employee benefit plan or endowment fund in accordance with §240.13d- 1(b)(1)(ii)(F);
- (g) o A parent holding company or control person in accordance with §240.13d- 1(b)(1)(ii)(G);
- (h) o A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) o A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) o A group, in accordance with §240.13d-1(b)(1)(ii)(J).

**Item 4. Ownership.**

**(a) Amount beneficially owned:**

See Item 9 on the cover page(s) hereto.

**(b) Percent of class:**

See Item 11 on the cover page(s) hereto.

**(c) Number of shares as to which such person has:**

**(i) Sole power to vote or to direct the vote:**

See Item 5 on the cover page(s) hereto.

**(ii) Shared power to vote or to direct the vote:**

See Item 6 on the cover page(s) hereto.

**(iii) Sole power to dispose or to direct the disposition of:**

See Item 7 on the cover page(s) hereto.

**(iv) Shared power to dispose or to direct the disposition of:**

See Item 8 on the cover page(s) hereto.



**Item 5. Ownership of 5% or Less of a Class.**

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following o.

**Item 6. Ownership of More than 5 Percent on Behalf of Another Person**

Other persons, including Select Contrarian Value Partners, L.P. are known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the securities covered by this statement that may be deemed to be beneficially owned by the reporting person(s).

**Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person.**

Not Applicable

**Item 8. Identification and Classification of Members of the Group**

Each reporting person may be deemed to be a member of a group with respect to the issuer or securities of the issuer for the purposes of Section 13(d) or 13(g) of the Act. Each reporting person declares that neither the filing of this statement nor anything herein shall be construed as an admission that such person is, for the purposes of Section 13(d) or 13(g) of the Act or any other purpose, (i) acting (or has agreed or is agreeing to act together with any other person) as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, holding, or disposing of securities of the issuer or otherwise with respect to the issuer or any securities of the issuer or (ii) a member of any group with respect to the issuer or any securities of the issuer.

**Item 9. Notice of Dissolution of Group**

Each reporting person may be deemed to be a member of a group with respect to the issuer or securities of the issuer for the purposes of Section 13(d) or 13(g) of the Act. Each reporting person declares that neither the filing of this statement nor anything herein shall be construed as an admission that such person is, for the purposes of Section 13(d) or 13(g) of the Act or any other purpose, (i) acting (or has agreed or is agreeing to act together with any other person) as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, holding, or disposing of securities of the issuer or otherwise with respect to the issuer or any securities of the issuer or (ii) a member of any group with respect to the issuer or any securities of the issuer.

**Item 10. Certifications**

(a) Not Applicable

(b) By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the

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issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 8, 2008

**KAIZEN MANAGEMENT, L.P.**

By: Kaizen Capital, L.L.C., its general partner

By: /s/ David W. Berry

Name:

David W. Berry

Title: Manager

**KAIZEN CAPITAL, L.L.C.**

By: /s/ David W. Berry

Name:

David W. Berry

Title: Manager

**SELECT CONTRARIAN VALUE PARTNERS,  
L.P.**

By: Kaizen Management, L.P., its general partner

By: Kaizen Capital, L.L.C., its general partner

By: /s/ David W. Berry

Name:

David W. Berry

Title: Manager

**DAVID W. BERRY**

By: /s/ David W. Berry

Name:

David W. Berry

**SPECTRUM GALAXY FUND, LTD.**

By: /s/ Dion R. Friedland

Name: Dion R. Friedland

Title: Director

**EXHIBIT INDEX**

**Exhibit Description of Exhibit**

**99.1** Joint Filing Agreement (incorporated herein by reference from Exhibit 1 to Amendment No. 2 to the Schedule 13G relating to the common stock of the issuer filed May 4, 2007 by the reporting person(s) with the Commission)