

GSE SYSTEMS INC

Form 4

August 14, 2006

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

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(Print or Type Responses)

1. Name and Address of Reporting Person *
**SELECT CONTRARIAN VALUE
PARTNERS L P**

(Last) (First) (Middle)

4200 MONTROSE BLVD., SUITE
510

(Street)

HOUSTON, TX 77006

(City) (State) (Zip)

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

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

08/10/2006

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____X____ 10% Owner
____ Officer (give title below) ____ Other (specify below)

6. Individual or Joint/Group Filing(Check
Applicable Line)

____ Form filed by One Reporting Person
____X____ 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)		
			Code	V	Amount (A) or (D)	Price			
Common Stock	08/10/2006		P		15,400 (1)	A \$ 3.8987	45,400	I	See Footnote 2. (2)
Common Stock	08/11/2006		P		7,600 (1)	A \$ 3.9184	53,000	I	See Footnote 2. (2)

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
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SEC 1474
(9-02)

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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)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Benef Own Follo Repor Trans (Instr
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SELECT CONTRARIAN VALUE PARTNERS L P 4200 MONTROSE BLVD. SUITE 510 HOUSTON, TX 77006			X	
KAIZEN MANAGEMENT, L.P. 4200 MONTROSE BLVD. SUITE 510 HOUSTON, TX 77006			X	
Kaizen Capital, L.L.C. 4200 MONTROSE BLVD. SUITE 510 HOUSTON, TX 77006			X	
BERRY DAVID W 4200 MONTROSE BLVD. SUITE 510 HOUSTON, TX 77006			X	
Spectrum Galaxy Fund Ltd. 4200 MONTROSE BLVD. SUITE 510 HOUSTON, TX 77006			X	

Signatures

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, Manager

08/14/2006

__Signature of Reporting Person

Date

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Kaizen Management, L.P., by Kaizen Capital, L.L.C., its General Partner, by /s/ David W. Berry, Manager

08/14/2006

__Signature of Reporting Person

Date

Kaizen Capital, L.L.C., by /s/ David W. Berry, Manager

08/14/2006

__Signature of Reporting Person

Date

/s/ David W. Berry

08/14/2006

__Signature of Reporting Person

Date

Spectrum Galaxy Fund Ltd., by /s/ Dion R. Friedland

08/14/2006

__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).

This Form 4 is being filed by Select Contrarian Value Partners, L.P. ("Select"), Kaizen Management, L.P., as general partner of Select
(1) ("Management"), Kaizen Capital, L.L.C., as general partner of Management ("Capital"), David W. Berry, as the manager and member of Capital ("Berry"), and Spectrum Galaxy Fund Ltd. ("Spectrum").

The transactions reported in this Form 4 were effected solely by Spectrum. By contract, Management serves as the sole investment manager to Kaizen Fundamental Value Fund, a separate class of shares of Spectrum, which is a company incorporated under the laws of the British Virgin Islands. In accordance with Instruction 4(b)(iv) of Form 4, all shares of common stock of GSE Systems, Inc. ("GSE")
(2) acquired by Spectrum are reported herein. Select, Management, Capital and Berry hereby disclaim, for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, beneficial ownership of such shares, except to the extent of their respective pecuniary interest therein, if any. This report on Form 4 shall not be deemed to be an admission that any of Select, Management, Capital or Berry is the beneficial owner of such shares for purposes of Section 16 or for any other purpose. Spectrum hereby disclaims beneficial ownership of all securities of GSE held by Select.

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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