

GSE SYSTEMS INC  
Form 4  
July 01, 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  
Expires: January 31,  
2005  
Estimated average  
burden hours per  
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Loudermilk Kyle Justin

(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)  
07/01/2016

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 Executive Officer & Pres

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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities<br>Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or Indirect<br>(I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|---|---|--------------------------------------|--|--|--|---|
|                                       |   |   | Code                                 | V  | Amount   | (D)  | Price   |

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

**Persons who respond to the collection of  
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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)**

| 1. Title of<br>Derivative<br>Security | 2. Conversion<br>or Exercise | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any | 4. Transaction<br>Code | 5. Number of<br>Derivative Securities<br>Acquired (A) or | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and<br>Underlying S<br>(Instr. 3 and |
|---------------------------------------|------------------------------|---|---|------------------------|--|--|---|
|---------------------------------------|------------------------------|---|---|------------------------|--|--|---|

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| (Instr. 3)                | Price of<br>Derivative<br>Security | (Month/Day/Year) | (Instr. 8)<br>Code | Disposed of (D)<br>(Instr. 3, 4, and 5)<br>(A) | (D)     | Date<br>Exercisable | Expiration<br>Date | Title           |
|---------------------------|------------------------------------|------------------|--------------------|--|---------|---------------------|--------------------|-----------------|
| Restricted<br>Stock Units | <u>(1)</u>                         | 07/01/2016       | J <sup>(1)</sup>   |  | 450,000 | <u>(1)</u>          | <u>(1)</u>         | Common<br>Stock |
| Performance<br>Rights     | <u>(2)</u>                         | 07/01/2016       | A                  | 180,000  |         | <u>(2)</u>          | 06/30/2021         | Common<br>Stock |
| Performance<br>Rights     | <u>(3)</u>                         | 07/01/2016       | A                  | 270,000  |         | <u>(3)</u>          | 06/30/2021         | Common<br>Stock |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |                                |       |
|--|---------------|-----------|--------------------------------|-------|
|  | Director      | 10% Owner | Officer                        | Other |
| Loudermilk Kyle Justin<br>C/O GSE SYSTEMS, INC<br>1332 LONDONTOWN BLVD<br>SYKESVILLE, MD 21784 | X             |           | Chief Executive Officer & Pres |       |

## Signatures

/s/ Kyle Justin  
Loudermilk

07/01/2016

\_\_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).

(1) On August 3, 2015, the reporting person was granted 850,000 performance-restricted stock units ("RSUs") in connection with his service as the Chief Executive Officer and President of the Issuer. The grant of 450,000 of those RSUs was rescinded on July 1, 2016, and the remaining 400,000 RSUs will continue to vest as follows: 200,000 RSUs will vest in their entirety if the Volume Weighted Average Price of the Issuer's Common Stock as quoted on the NYSE MKT exceeds \$2.50 for a 30 consecutive trading day period and 200,000 RSUs 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.

(2) 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 180,000 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: 200,000 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 70,000 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.

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