

GSE SYSTEMS INC

Form 4

July 26, 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

OMB  
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2005  
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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)  
06/15/2006

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 (1)	(A) or (D)	Price			
Common Stock	06/15/2006		P		10,000 (1)	A	\$ 3.7251	10,000	I	See Footnote 2. (2)
Common Stock	06/19/2006		P		15,000 (1)	A	\$ 3.4029	25,000	I	See Footnote 2. (2)
Common Stock	07/24/2006		P		5,000 (1)	A	\$ 3.6445	30,000	I	See Footnote 2. (2)

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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 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 Bene 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

07/26/2006

Date \_\_\_\_\_

07/26/2006

Date \_\_\_\_\_

07/26/2006

Date \_\_\_\_\_

07/26/2006

Date \_\_\_\_\_

07/26/2006

Date \_\_\_\_\_

### Explanation of Responses:

- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(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").

(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.

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