GSE SYSTEMS INC Form 4 July 26, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

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Expires:

January 31, 2005

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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 See Instruction

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * SELECT CONTRARIAN VALUE PARTNERS L P			2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer		
			GSE SYSTEMS INC [GVP]	(Check all applicable)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction			
			(Month/Day/Year)	DirectorX 10% Owner		
4200 MONTROSE BLVD., SUITE 510		o., SUITE	06/15/2006	Officer (give title Other (specify below)		
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
			Filed(Month/Day/Year)	Applicable Line) Form filed by One Reporting Person		
HOUSTON, TX 77006				_X_ Form filed by More than One Reporting Person		

(City)	(State)	(Zip) Tab	le I - Non-l	Derivative	Secur	ities Acqui	red, Disposed of,	or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactic Code (Instr. 8)	4. Securit or Dispos (Instr. 3, 4	ed of (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	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.

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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 Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. onNumber of Derivative Securities Acquired (A) or Disposed of (D)		ate	7. Title at Amount of Underlyin Securities (Instr. 3 a	of ng s	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
			Code V	(Instr. 3, 4, and 5) (A) (D)	Date Exercisable	Expiration Date	or Title Nu of	mount umber ares		

Reporting Owners

Reporting Owner Name / Address	Relationships					
Reporting Owner Name / Address	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				

Reporting Owners 2

Signatures

Select Contrarian Value Partners, L.P., by Kaizen Management, L.P., its General Partner, by 07/26/2006 Kaizen Capital, L.L.C., its General Partner, by /s/ David W. Berry, Manager **Signature of Reporting Person Date Kaizen Management, L.P., by Kaizen Capital, L.L.C., its General Partner, by /s/ David W. 07/26/2006 Berry, Manager **Signature of Reporting Person Date 07/26/2006 Kaizen Capital, L.L.C., by /s/ David W. Berry, Manager **Signature of Reporting Person Date /s/ David W. Berry 07/26/2006 **Signature of Reporting Person Date Spectrum Galaxy Fund Ltd., by /s/ Dion R. Friedland 07/26/2006

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).

**Signature of Reporting Person

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").

Date

- 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")
- 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. 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.

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