GSE SYSTEMS INC
Form 4
December 11, 2007

FORM 4

OMB APPROVAL

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

OMB Number:	3235-0287
Expires:	January 31, 2005

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

Estimated average burden hours per response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person [*] TAWES ORRIE LEE	2. Issuer Name **and** Ticker or Trading Symbol **GSE SYSTEMS INC [GVP]**	5. Relationship of Reporting Person(s) to Issuer
(Last) (First) (Middle)	3. Date of Earliest Transaction (Month/Day/Year) 12/07/2007	(Check all applicable) __X__ Director _____ 10% Owner _____ Officer (give title _____ Other (specify below) below)
100 WALL STREET, 8 TH FLOOR		
(Street)	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person ___ Form filed by More than One Reporting Person
NEW YORK, NY 10005		
(City) (State) (Zip)		

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	12/07/2007		S		15,000	D	$ 11.15	398,597	D	
Common Stock	12/10/2007		M		45,000	A	$ 1.77	443,597	D	
Common Stock	12/10/2007		M		11,299	A	$ 1.77	454,896	D	
Common Stock	12/11/2007		J		3,000 (1)	D	$ 10.7	451,896	D	

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

SEC 1474
(9-02)

1

required to respond unless the form displays a currently valid OMB control number.

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)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Warrant to Purchase	$ 1.77	12/10/2007		M			45,000	02/28/2006	02/28/2011	Common Stock	45,000
Warrant to Purchase	$ 1.77	12/10/2007		M			11,299	02/28/2006	02/28/2011	Common Stock	11,299
Employee Stock Option	$ 8.21							(2)	02/06/2014	Common Stock	10,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
TAWES ORRIE LEE 100 WALL STREET 8 TH FLOOR NEW YORK, NY 10005	X			

Signatures

/s/ Orrie L. Tawes III	12/11/2007
**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)   Donated shares to St. Andrews School

(2)   Exercisable as follows: 3,334 2/6/2008; 3,333 2/6/2009; 3,333 2/6/2010

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Explanation of Responses: 3