

BERRY DAVID W  
Form 4  
February 14, 2007

**FORM 4**

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
KAIZEN MANAGEMENT, L.P.

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
4200 MONTROSE BLVD., SUITE 510

3. Date of Earliest Transaction (Month/Day/Year)  
11/27/2006

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
\_\_\_ Officer (give title below) \_\_\_ Other (specify below)

(Street)  
HOUSTON, TX 77006

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_\_\_ Form filed by One Reporting Person  
\_X\_ Form filed by More than One Reporting Person

(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 or (D) Price			
Common Stock <sup>(1)</sup> <sub>(2)</sub>	11/27/2006		C	400,000 <sup>(3)</sup>	A <sup>(3) 1,408,933</sup>	I	See Footnote <sup>(1)</sup>
Common Stock <sup>(1)</sup> <sub>(2)</sub>	02/12/2007		S	8,200 <sup>(4)</sup>	D \$ 7.8305 1,400,733	I	See Footnote <sup>(1)</sup>

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)	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
Series A Cumulative Convertible Preferred Common Stock	\$ 0 <sup>(3)</sup>	11/27/2006		C	400,000	<sup>(3)</sup>	<sup>(3)</sup>	Common Stock	400,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KAIZEN MANAGEMENT, L.P. 4200 MONTROSE BLVD. SUITE 510 HOUSTON, TX 77006		X		
SELECT CONTRARIAN VALUE PARTNERS 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. 50 CALIFORNIA STREET SUITE 1500 SAN FRANCISCO, CA 94111		X		

## Signatures

By: Kaizen Capital, L.L.C., It's: General Partner, By: /s/ David W. Berry, Name: David W. Berry, Title: Manager

02/14/2007

\_\_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) This statement is filed by and on behalf of Select Contrarian Value Partners, L.P. ("Select"), Kaizen Management, L.P., as general partner of Select ("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) Each of the reporting persons states that neither the filing of this statement nor anything herein shall be deemed an admission that such person is, for purposes of Section 16 of the Act or otherwise, the beneficial owner of any securities covered by this statement. Each of the reporting persons disclaims beneficial ownership of the securities covered by this statement, except to the extent of the pecuniary interest of such person in such securities.

(3) The transaction relates to a conversion of Series A Cumulative Convertible Preferred Common Stock of Issuer by Select.

(4) The transaction reported was 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 the issuer acquired by Spectrum are reported herein.

### Remarks:

#### Exhibit 99.1 - Joint Filing Information

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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