

Heiland K. Peter
 Form 5
 February 14, 2011

FORM 5

**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).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
 Heiland K. Peter

2. Issuer Name and Ticker or Trading Symbol
 GSI GROUP INC [GSIGQ]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
 12/31/2010

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

20 LEDGEWOOD DRIVE

(Street)

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

6. Individual or Joint/Group Reporting

(check applicable line)

DOVER, MA 02030

Form Filed by One Reporting Person
 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 at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|---|
| Common Stock | 08/02/2010 | Â | G | 1,449,275.34 D \$ 0 | 1,596,902 ⁽¹⁾ | I | By JEC II Associates, LLC |
| Common Stock | 08/02/2010 | Â | G | 1,449,275.34 A \$ 0 | 1,449,275.34 ⁽²⁾ | I | By trust ⁽³⁾ |

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

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SEC 2270 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 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. Price of Underlying Security (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Heiland K. Peter 20 LEDGEWOOD DRIVE DOVER, MA 02030 | X | | | |

Signatures

/s/ James E. Dawson, as attorney-in-fact 02/14/2011

__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) Reflects shares held directly by JEC II Associates, LLC ("JEC") and indirectly by Mr. Heiland following a reverse split of the Company's common shares at a 1-for-3 ratio. Mr. Heiland is a manager of JEC. Mr. Heiland disclaims beneficial ownership in the securities, except to the extent of his indirect pecuniary interest therein.
- (2) Reflects shares held indirectly by Mr. Heiland following a reverse split of the Company's common shares at a 1-for-3 ratio. Shares are held directly by Heidi S. Shippell-Heiland 2008 Irrevocable Trust and K. Peter Heiland 2008 Irrevocable Trust (the "Trusts").
- (3) Mr. Heiland and his wife, Heidi Shippell-Heiland, are beneficiaries of the Trusts. As a result, Mr. Heiland may be deemed to be the beneficial owner of the shares held by the Trusts. Mr. Heiland disclaims beneficial ownership of the shares, except to the extent of his pecuniary interest therein.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.