

GSE SYSTEMS INC  
Form SC 13G  
February 14, 2017

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934  
(Amendment No. )\*

GSE Systems, Inc.  
(Name of Issuer)

Common Stock, par value \$0.01 per share  
(Title of Class of Securities)

36227K106  
(CUSIP Number)

December 31, 2016  
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

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\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP  
No 36227K106

1. NAME OF  
REPORTING  
PERSONS  
I.R.S.  
IDENTIFICATION  
NOS. OF  
ABOVE  
PERSONS  
(ENTITIES  
ONLY)

Needham  
Asset  
Management,  
LLC (1)

2. CHECK THE  
APPROPRIATE  
BOX IF A  
MEMBER OF A  
GROUP (SEE  
INSTRUCTIONS)  
(a)   
(b)

3. SEC USE  
ONLY

4. CITIZENSHIP  
OR PLACE  
OF  
ORGANIZATION

Delaware

- NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY EACH  
REPORTING  
PERSON WITH

5. SOLE  
VOTING  
POWER

0

SHARED

6. VOTING  
POWER

960,000

SOLE

7. DISPOSITIVE  
POWER

0

SHARED

8. DISPOSITIVE  
POWER

960,000

AGGREGATE  
AMOUNT

9. BENEFICIALLY  
OWNED BY EACH  
REPORTING  
PERSON

960,000

CHECK  
BOX IF  
THE  
AGGREGATE  
AMOUNT

10. IN ROW (9)  
EXCLUDES  
CERTAIN  
SHARES  
(SEE  
INSTRUCTIONS)

PERCENT  
OF CLASS  
REPRESENTED

11. BY  
AMOUNT  
IN ROW (9)

5.1%

TYPE OF  
REPORTING

12. PERSON  
(SEE  
INSTRUCTIONS)

HC, OO

-----  
(1)  
Needham  
Asset  
Management,  
LLC is the  
managing  
member of  
Needham  
Investment  
Management  
L.L.C.,  
which serves  
as  
investment  
adviser to  
various  
series of The  
Needham  
Funds, Inc.  
and the  
general  
partner to  
certain  
private  
investment  
funds.  
Needham  
Aggressive  
Growth  
Fund, which  
is a series of  
The  
Needham  
Funds, Inc.,  
holds  
960,000  
shares of  
common  
stock of the  
Issuer

("Common  
Stock").  
Needham  
Investment  
Management  
L.L.C. may  
be deemed  
to  
beneficially  
own the  
Common  
Stock by  
virtue of its  
position as  
investment  
adviser to  
the series of  
The  
Needham  
Funds, Inc.

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CUSIP  
No 36227K106

1. NAME OF  
REPORTING  
PERSONS  
I.R.S.  
IDENTIFICATION  
NOS. OF  
ABOVE  
PERSONS  
(ENTITIES  
ONLY)

Needham  
Investment  
Management  
L.L.C. (2)

2. CHECK THE  
APPROPRIATE  
BOX IF A  
MEMBER OF A  
GROUP (SEE  
INSTRUCTIONS)  
(a)   
(b)

3. SEC USE  
ONLY

4. CITIZENSHIP  
OR PLACE  
OF  
ORGANIZATION

Delaware

- NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY EACH  
REPORTING  
PERSON WITH

5. SOLE  
VOTING  
POWER

0

SHARED  
6. VOTING  
POWER

960,000

SOLE  
7. DISPOSITIVE  
POWER

0

SHARED  
8. DISPOSITIVE  
POWER

960,000

AGGREGATE  
AMOUNT  
9. BENEFICIALLY  
OWNED BY EACH  
REPORTING  
PERSON

960,000

CHECK  
BOX IF  
THE  
AGGREGATE  
AMOUNT  
10. IN ROW (9)  
EXCLUDES  
CERTAIN  
SHARES  
(SEE  
INSTRUCTIONS)

PERCENT  
OF CLASS  
REPRESENTED  
11. BY  
AMOUNT  
IN ROW (9)

5.1%

TYPE OF  
REPORTING

12. PERSON  
(SEE  
INSTRUCTIONS)

IA, OO

-----

(2)  
Needham  
Investment  
Management  
L.L.C.  
serves as  
investment  
adviser to  
various  
series of The  
Needham  
Funds, Inc.  
and general  
partner to  
certain  
private  
investment  
funds.  
Needham  
Aggressive  
Growth  
Fund, which  
is a series of  
The  
Needham  
Funds, Inc.,  
holds  
960,000  
shares of  
Common  
Stock.  
Needham  
Investment  
Management  
L.L.C. may  
be deemed  
to  
beneficially  
own the



Common  
Stock by  
virtue of its  
position as  
investment  
adviser to  
the series of  
The  
Needham  
Funds, Inc.

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CUSIP  
No 36227K106

NAME OF  
1. REPORTING  
PERSONS  
I.R.S.  
IDENTIFICATION  
NOS. OF ABOVE  
PERSONS  
(ENTITIES ONLY)

Needham  
Aggressive Growth  
Fund (3)

CHECK THE  
APPROPRIATE  
2. BOX IF A  
MEMBER OF A  
GROUP (SEE  
INSTRUCTIONS)

(a)  
  
(b)

3. SEC USE ONLY

CITIZENSHIP OR  
4. PLACE OF  
ORGANIZATION

Maryland

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY EACH  
REPORTING PERSON  
WITH

5. SOLE VOTING  
POWER

0

6.

SHARED VOTING  
POWER

960,000

SOLE

7. DISPOSITIVE  
POWER

0

8. DISPOSITIVE  
POWER

960,000

AGGREGATE  
AMOUNT  
BENEFICIALLY

9. OWNED BY  
EACH  
REPORTING  
PERSON

960,000

CHECK BOX IF  
THE AGGREGATE  
AMOUNT IN ROW

10. (9) EXCLUDES  
CERTAIN  
SHARES (SEE  
INSTRUCTIONS)

PERCENT OF  
CLASS

11. REPRESENTED  
BY AMOUNT IN  
ROW (9)

5.1%

TYPE OF  
REPORTING

12. PERSON (SEE  
INSTRUCTIONS)

IV, CO

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(3) Needham  
Aggressive Growth  
Fund is a series of  
The Needham  
Funds, Inc.

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CUSIP  
No 36227K106

1. NAME OF  
REPORTING  
PERSONS  
I.R.S.  
IDENTIFICATION  
NOS. OF  
ABOVE  
PERSONS  
(ENTITIES  
ONLY)

George A.  
Needham (4)

2. CHECK THE  
APPROPRIATE  
BOX IF A  
MEMBER OF A  
GROUP (SEE  
INSTRUCTIONS)  
(a)   
(b)

3. SEC USE  
ONLY

4. CITIZENSHIP  
OR PLACE  
OF  
ORGANIZATION

United  
States of  
America

- NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY EACH  
REPORTING  
PERSON WITH

5. SOLE  
VOTING  
POWER

0

SHARED

6. VOTING  
POWER

960,000

SOLE

7. DISPOSITIVE  
POWER

0

SHARED

8. DISPOSITIVE  
POWER

960,000

AGGREGATE  
AMOUNT

9. BENEFICIALLY  
OWNED BY EACH  
REPORTING  
PERSON

960,000

CHECK  
BOX IF  
THE  
AGGREGATE  
AMOUNT

10. IN ROW (9)  
EXCLUDES  
CERTAIN  
SHARES  
(SEE  
INSTRUCTIONS)

PERCENT  
OF CLASS  
REPRESENTED

11. BY  
AMOUNT  
IN ROW (9)

5.1%

TYPE OF  
REPORTING

12. PERSON  
(SEE  
INSTRUCTIONS)

IN, HC

-----  
(4) George  
A. Needham  
is a control  
person of  
Needham  
Asset  
Management,  
LLC, which  
is the  
managing  
member of  
Needham  
Investment  
Management  
L.L.C.,  
which serves  
as  
investment  
adviser to  
various  
series of The  
Needham  
Funds, Inc.  
and the  
general  
partner to  
certain  
private  
investment  
funds.  
Needham  
Aggressive  
Growth  
Fund, which  
is a series of  
The  
Needham  
Funds, Inc.,  
holds

960,000  
shares of  
Common  
Stock.  
George A.  
Needham  
may be  
deemed to  
beneficially  
own the  
Common  
Stock by  
virtue of his  
position as a  
control  
person of  
Needham  
Asset  
Management,  
LLC.

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CUSIP No 36227K106

Item 1. (a). Name of Issuer:

GSE Systems, Inc.

(b). Address of issuer's principal executive offices:

7007 N.W. 77<sup>th</sup> Avenue  
Miami, Florida 33166

Item 2. (a). Name of person filing:

- (i) Needham Asset Management, LLC
- (ii) Needham Investment Management L.L.C.
- (iii) Needham Aggressive Growth Fund
- (iv) George A. Needham

(b). Address or principal business office or, if none, residence:

With respect to each of Needham Asset Management, LLC, Needham Investment Management L.L.C.,  
Needham Aggressive Growth Fund and George A. Needham:

445 Park Avenue  
New York, New York 10022

(c). Citizenship:

Needham Asset Management, LLC - Delaware  
Needham Investment Management L.L.C. – Delaware  
Needham Aggressive Growth Fund - Maryland  
George A. Needham - United States of America

(d). Title of class of securities:

Common Stock, par value \$0.01 per share

(e). CUSIP No.:

36227K106



Item 3. If This Statement is filed pursuant to §§.240.13d-1(b) or 240.13d-2(b), or (c), check whether the person filing is a

- (a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- (b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c)  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e)  An investment adviser in accordance with § 240.13d-1(b)(1)(ii)(E);
- (f)  An employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F);
- (g)  A parent holding company or control person in accordance with §240.13d-1(b)(1)(ii)(G);
- (h)  A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C.1813);
- (i)  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j)  A non-U.S. institution in accordance with §240.13d-1(b)(1)(ii)(J);
- (k)  Group, in accordance with §240.13d-1(b)(1)(ii)(K). If filing as a non-U.S. institution in accordance with §240.13d-1(b)(1)(ii)(J), please specify the type of institution:

Item 4. Ownership.

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

(a) Amount beneficially owned:

Needham Asset Management, LLC - 960,000

Needham Investment Management L.L.C. - 960,000

Needham Aggressive Growth Fund - 960,000

George A. Needham - 960,000

(b) Percent of class:

Needham Asset Management, LLC - 5.1%

Needham Investment Management L.L.C. - 5.1%

Needham Aggressive Growth Fund – 5.1%

George A. Needham – 5.1%

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(c)Number of shares as to which the person has:

Needham Asset Management, LLC

- (i) Sole power to vote or to direct the vote 0 ,
- (ii) Shared power to vote or to direct the vote 960,000,
- (iii) Sole power to dispose or to direct the disposition of 0 ,
- (iv) Shared power to dispose or to direct the disposition of 960,000.

Needham Investment Management L.L.C.

- (i) Sole power to vote or to direct the vote 0 ,
- (ii) Shared power to vote or to direct the vote 960,000,
- (iii) Sole power to dispose or to direct the disposition of 0 ,
- (iv) Shared power to dispose or to direct the disposition of 960,000.

Needham Aggressive Growth Fund

- (i) Sole power to vote or to direct the vote 0 ,
- (ii) Shared power to vote or to direct the vote 960,000,
- (iii) Sole power to dispose or to direct the disposition of 0 ,
- (iv) Shared power to dispose or to direct the disposition of 960,000.

George A. Needham

- (i) Sole power to vote or to direct the vote 0 ,
- (ii) Shared power to vote or to direct the vote 960,000,
- (iii) Sole power to dispose or to direct the disposition of 0 ,
- (iv) Shared power to dispose or to direct the disposition of 960,000.

Instruction: For computations regarding securities which represent a right to acquire an underlying security see §240.13d-3(d)(1).

Item 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following .

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Item 6. Ownership of More Than Five Percent on Behalf of Another Person.

If any other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities, a statement to that effect should be included in response to this item and, if such interest relates to more than 5 percent of the class, such person should be identified. A listing of the shareholders of an investment company registered under the Investment Company Act of 1940 or the beneficiaries of employee benefit plan, pension fund or endowment fund is not required.

All securities reported in this Schedule 13G are owned by advisory clients of Needham Investment Management L.L.C. Other than Needham Aggressive Growth Fund, a series of The Needham Funds, Inc., none of the advisory clients individually own more than 5% of the outstanding Common Stock.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person.

If a parent holding company or control person has filed this schedule, pursuant to Rule 13d-1(b)(1)(ii)(G), so indicate under Item 3(g) and attach an exhibit stating the identity and the Item 3 classification of the relevant subsidiary. If a parent holding company or control person has filed this schedule pursuant to Rule 13d-1(c) or Rule 13d-1(d), attach an exhibit stating the identification of the relevant subsidiary.

See Exhibit B attached hereto.

Item 8. Identification and Classification of Members of the Group.

If a group has filed this schedule pursuant to §240.13d-1(b)(1)(ii)(J), so indicate under Item 3(j) and attach an exhibit stating the identity and Item 3 classification of each member of the group. If a group has filed this schedule pursuant to Rule 13d-1(c) or Rule 13d-1(d), attach an exhibit stating the identity of each member of the group.

Item 9. Notice of Dissolution of Group.

Notice of dissolution of a group may be furnished as an exhibit stating the date of the dissolution and that all further filings with respect to transactions in the security reported on will be filed, if required, by members of the group, in their individual capacity. See Item 5.

Item 10. Certification.

- (a) By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect, other than activities solely in connection with a nomination under § 240.14a-11.





SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Needham Asset Management, LLC\*

February 14, 2017

(Date)

/s/ James W. Giangrasso

(Signature)

James W. Giangrasso / Chief Financial Officer

(Name/Title)

Needham Investment Management L.L.C.\*

February 14, 2017

(Date)

/s/ James W. Giangrasso

(Signature)

James W. Giangrasso / Chief Financial Officer

(Name/Title)

Needham Aggressive Growth Fund, a series of The Needham Funds, Inc.\*

February 14, 2017

(Date)

/s/ James W. Giangrasso

(Signature)

James W. Giangrasso / Chief Financial Officer

(Name/Title)

February 14, 2017

(Date)

/s/ George A. Needham\*

(Signature)

George A. Needham

(Name/Title)

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\* This Schedule 13G shall not be construed as an admission that any Reporting Person, either for purposes of Section 13(d) or 13(g) of the Securities Exchange Act of 1934, as amended, or for other purposes, is the beneficial owner of any securities covered by this statement except to the extent of pecuniary interest.

The original statement shall be signed by each person on whose behalf the statement is filed or his authorized representative. If the statement is signed on behalf of a person by his authorized representative other than an executive officer or general partner of the filing person, evidence of the representative's authority to sign on behalf of such person shall be filed with the statement, provided, however, that a power of attorney for this purpose which is already on file with the Commission may be incorporated by reference. The name and any title of each person who signs the statement shall be typed or printed beneath his signature.

Note. Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See s.240.13d-7 for other parties for whom copies are to be sent.

Attention. Intentional misstatements or omissions of fact constitute Federal criminal violations (see 18 U.S.C. 1001).

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Exhibit A

AGREEMENT

The undersigned agree that this Schedule 13G dated February 14, 2017 relating to the Common Stock par value \$0.01 per share of GSE Systems, Inc., shall be filed on behalf of the undersigned.

Dated: February 14, 2017

Needham Asset Management, LLC

By: /s/ James W. Giangrasso  
Name: James W. Giangrasso  
Title: Chief Financial Officer

Needham Investment Management L.L.C.

By: /s/ James W. Giangrasso  
Name: James W. Giangrasso  
Title: Chief Financial Officer

Needham Aggressive Growth Fund, a series of The Needham Funds Inc.

By: /s/ James W. Giangrasso  
Name: James W. Giangrasso  
Title: Chief Financial Officer

By: /s/ George A. Needham  
George A. Needham

Exhibit B

Needham Investment Management L.L.C., is the relevant entity for which each of Needham Asset Management, LLC and George A. Needham may be considered a control person.

SK 22312 0009 7408150