

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)

*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).

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.

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.

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

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

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.

CUSIP No 36227K106

Item 1. (a). Name of Issuer:

GSE Systems, Inc.

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

7007 N.W. 77th 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%

(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 .

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).

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