GSE SYSTEMS INC
Form SC 13G/A
February 14, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No. 1)*

GSE Systems, Inc.
(Name of Issuer)

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

36227K106
(CUSIP Number)

December 31, 2017
(Date of Event Which Requires Filing of this Statement)

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

[X] 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) [x]

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

6. SHARED VOTING POWER

1,120,000

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

1,120,000

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,120,000

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

[_]

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

5.8%

12. TYPE OF REPORTING 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 1,120,000 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) [x]

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

6. SHARED VOTING POWER

1,120,000

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

1,120,000

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,120,000

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

[_]

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

5.8%

12. TYPE OF REPORTING 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 1,120,000 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

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

Needham Aggressive Growth Fund (3)

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

(a) [_]
(b) [X]

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

6. SHARED VOTING POWER

1,120,000

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

1,120,000

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,120,000

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

[_]

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

5.8%

12. TYPE OF REPORTING 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) [x]

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

6. SHARED VOTING POWER

1,120,000

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

1,120,000

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,120,000

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

[_]

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

5.8%

12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN, HC

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(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 1,120,000 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.

36227K106

Item 1. (a). Name of Issuer:

GSE Systems, Inc.

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

1332 Londontown Blvd.

Sykesville, MD 21784

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

(i) Needham Asset Management, LLC

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

(iii) Needham Aggressive Growth Fund, a series of the Needham Funds, Inc.

(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:

250 Park Avenue, 10th Floor

New York, New York 10177-1099

(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) [X] Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).

(e) [X] 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) [X] 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 - 1,120,000

Needham Investment Management L.L.C. - 1,120,000

Needham Aggressive Growth Fund - 1,120,000

George A. Needham - 1,120,000

(b) Percent of class:

Needham Asset Management, LLC - 5.8%

Needham Investment Management L.L.C. - 5.8%

Needham Aggressive Growth Fund – 5.8%

George A. Needham – 5.8%

(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	1,120,000,
(iii)	Sole power to dispose or to direct the disposition of	0 ,
(iv)	Shared power to dispose or to direct the disposition of	1,120,000.

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	1,120,000,
(iii)	Sole power to dispose or to direct the disposition of	0 ,
(iv)	Shared power to dispose or to direct the disposition of	1,120,000.

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	1,120,000,
(iii)	Sole power to dispose or to direct the disposition of	0 ,
(iv)	Shared power to dispose or to direct the disposition of	1,120,000.

George A. Needham

(i)	Sole power to vote or to direct the vote	0 ,
(ii)	Shared power to vote or to direct the vote	1,120,000,
(iii)	Sole power to dispose or to direct the disposition of	0 ,
(iv)	Shared power to dispose or to direct the disposition of	1,120,000.

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, 2018
(Date)

/s/ James W. Giangrasso
(Signature)

James W. Giangrasso / Chief Financial Officer
(Name/Title)

Needham Investment Management L.L.C.*

February 14, 2018
(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, 2018
(Date)

/s/ James W. Giangrasso
(Signature)

James W. Giangrasso / Chief Financial Officer
(Name/Title)

February 14, 2018
(Date)

/s/ George A. Needham*
(Signature)

George A. Needham
(Name/Title)

* 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 Amendment No. 1 to Schedule 13G dated February 14, 2018 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, 2018

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.