

KNOWLTON JAMES M
Form 4
February 28, 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 *
KNOWLTON JAMES M

2. Issuer Name and Ticker or Trading Symbol
VSE CORP [VSEC]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
2550 HUNTINGTON AVENUE

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
02/26/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Executive Vice President

ALEXANDRIA, VA 22303-1499

(City) (State) (Zip)

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

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

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock, par value \$.05 per share	02/26/2007		M		500	A	\$ 10.74
Common Stock, par value \$.05 per share	02/26/2007		S		500	D	\$ 44
Common Stock, par value \$.05 per share	02/26/2007		M		970	A	\$ 10.74

Common Stock, par value \$.05 per share	02/26/2007	S	970	D	\$ 44.05	15,759	D	
Common Stock, par value \$.05 per share						14,003	I	Employee benefit plan

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

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(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)	8. Price or Value of Underlying Securities (Instr. 3 and 4)	
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V (A) (D)		
Stock Option (right to buy)	\$ 10.74	02/26/2007		M	500	<u>(1)</u>	12/31/2007	Common Stock, par value \$.05 per share	500 \$ 10.74
Stock Option (right to buy)	\$ 10.74	02/26/2007		M	970	<u>(2)</u>	12/31/2007	Common Stock, par value \$.05 per share	970 \$ 10.74

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other

KNOWLTON JAMES M
2550 HUNTINGTON AVENUE
ALEXANDRIA, VA 22303-1499

Executive
Vice
President

Signatures

James M.
Knowlton

02/28/2007

**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) The option became exercisable in four equal annual installments commencing on the grant date (01/01/2003).
 - (2) The option became exercisable in four equal annual installments commencing on the grant date (01/01/2003).

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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