

GLADSTONE COMMERCIAL CORP

Form 4

December 13, 2006

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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

## OMB APPROVAL

OMB  
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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
OUTLAND JOHN H

2. Issuer Name **and** Ticker or Trading  
Symbol  
GLADSTONE COMMERCIAL  
CORP [GOOD]

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

(Last) (First) (Middle)

1521 WESTBRANCH  
DRIVE, SUITE 200

(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
12/12/2006

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

MCLEAN, VA 22102

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

(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 Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--------|------------|---|--|---|
|                                 |                                      |  | Code                           | V   | Amount | (A) or (D) | Price   |  |   |
| Common Stock                    | 12/12/2006                           |  | M                              |   | 10,000 | A          | \$ 16.53  | 10,000   | D   |
| Common Stock                    | 12/12/2006                           |  | S                              |   | 9,000  | D          | \$ 20.3261  | 1,000  | D   |
| Common Stock                    | 12/12/2006                           |  | M                              |   | 10,000 | A          | \$ 15.99  | 11,000   | D   |
| Common Stock                    | 12/12/2006                           |  | S                              |   | 10,000 | D          | \$ 20.3261  | 1,000  | D   |
| Common Stock                    | 12/12/2006                           |  | M                              |   | 10,000 | A          | \$ 15.44  | 11,000   | D   |

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Common Stock      12/12/2006      S      10,000      D      \$ 20.3261      1,000      D

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474  
(9-02)

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

| 1. Title of<br>Derivative<br>Security<br>(Instr. 3) | 2.<br>Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4.<br>Transaction<br>Code<br>(Instr. 8) | 5. Number of<br>Derivative<br>Securities<br>Acquired (A)<br>or Disposed of<br>(D)<br>(Instr. 3, 4,<br>and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) |     | 7. Title and Amount of<br>Underlying Securities<br>(Instr. 3 and 4) |                    |                 |                                     |
|---|---|---|---|---|--|--|-----|---|--------------------|-----------------|-------------------------------------|
|   |   |   |   | Code                                    | V  | (A)  | (D) | Date<br>Exercisable   | Expiration<br>Date | Title           | Amount<br>or<br>Number<br>of Shares |
| Common<br>Stock                                     | \$ 16.53  | 12/12/2006                              |   | M                                       |  | 10,000   |     | <u>(1)</u>  | 12/31/2006         | Common<br>stock | 10,000                              |
| Common<br>stock                                     | \$ 15.99  | 12/12/2006                              |   | M                                       |  | 10,000   |     | <u>(2)</u>  | 12/31/2006         | Common<br>Stock | 10,000                              |
| Common<br>Stock                                     | \$ 15.44  | 12/12/2006                              |   | M                                       |  | 10,000   |     | <u>(3)</u>  | 12/31/2006         | Common<br>Stock | 10,000                              |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships                             |
|--|---|
|  | Director    10% Owner    Officer    Other |
| OUTLAND JOHN H<br>1521 WESTBRANCH DRIVE<br>SUITE 200<br>MCLEAN, VA 22102 | X   |

## Signatures

Paula Novara,  
attorney-in-fact      12/13/2006

\_\_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 vested in two equal installments of 5,000 shares each on December 9, 2004 and December 9, 2005

(2) The option vested in two equal installments of 5,000 shares each on May 26, 2005 and May 26, 2006

(3) The option vested in two equal installments of 5,000 shares each on May 25, 2006 and July 11, 2006

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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