

GLADSTONE COMMERCIAL CORP  
 Form 4  
 December 13, 2006

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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 \*  
 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)

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

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

1521 WESTBRANCH DRIVE, SUITE 200

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)

MCLEAN, VA 22102

(City) (State) (Zip)

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)
Common Stock	12/12/2006		M			10,000	\$ 16.53	10,000	D	
Common Stock	12/12/2006		S			9,000	\$ 20.3261	1,000	D	
Common Stock	12/12/2006		M			10,000	\$ 15.99	11,000	D	
Common Stock	12/12/2006		S			10,000	\$ 20.3261	1,000	D	
Common Stock	12/12/2006		M			10,000	\$ 15.44	11,000	D	

Edgar Filing: GLADSTONE COMMERCIAL CORP - Form 4

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 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		6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
					(A)	(D)			
Common Stock	\$ 16.53	12/12/2006		M		10,000	<sup>(1)</sup> 12/31/2006	Common stock	10,000
Common stock	\$ 15.99	12/12/2006		M		10,000	<sup>(2)</sup> 12/31/2006	Common Stock	10,000
Common Stock	\$ 15.44	12/12/2006		M		10,000	<sup>(3)</sup> 12/31/2006	Common Stock	10,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
OUTLAND JOHN H 1521 WESTBRANCH DRIVE SUITE 200 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.

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