CF Industries Holdings, Inc.
Form SC 13G/A
February 17, 2009

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13G
(Amendment No. 1)

Under the Securities Exchange Act of 1934

CF Industries Holdings, Inc.
(Name of Issuer)

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

125269100
(CUSIP Number)

December 31, 2008
(Date of Event Which Requires Filing of this Statement)

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

o Rule 13d-1(b)
x Rule 13d-1(c)
o 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. 125269100

1.	Names of Reporting Persons I.R.S. Identification Nos. of above persons (entities only) D. E. Shaw & Co., L.P. 13-3695715		
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) o (b) o		
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 2,274,497
		7.	Sole Dispositive Power -0-
		8.	Shared Dispositive Power 2,306,297
9.	Aggregate Amount Beneficially Owned by Each Reporting Person 2,306,297		
10.	Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) o		
11.	Percent of Class Represented by Amount in Row (9) 4.1%		
12.	Type of Reporting Person (See Instructions) IA, PN		

CUSIP No. 125269100

1.	Names of Reporting Persons I.R.S. Identification Nos. of above persons (entities only) David E. Shaw	
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) o (b) o	
3.	SEC Use Only	
4.	Citizenship or Place of Organization United States	
Number of Shares Beneficially Owned by Each Reporting Person With	5.	Sole Voting Power -0-
	6.	Shared Voting Power 2,274,497
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10.	Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) o	
11.	Percent of Class Represented by Amount in Row (9) 4.1%	
12.	Type of Reporting Person (See Instructions) IN	

Item 1.

(a) Name of Issuer:
CF Industries Holdings, Inc.

(b) Address of Issuer's Principal Executive Offices:
4 Parkway North, Suite 400
Deerfield, Illinois 60015

Item 2.

(a) Name of Person Filing:
D. E. Shaw & Co., L.P.
David E. Shaw

(b) Address of Principal Business Office or, if none, Residence:
The business address for each reporting person is:
120 W. 45th Street, Tower 45, 39th Floor
New York, NY 10036

(c) Citizenship:
D. E. Shaw & Co., L.P. is a limited partnership organized under the laws of the state of Delaware.
David E. Shaw is a citizen of the United States of America.

(d) Title of Class of Securities:
Common Stock, $0.01 par value

(e) CUSIP Number:
125269100

Item 3. If this statement is filed pursuant to Rule 13d-1(b) or 13d-2(b) or (c), check whether the person filing is a:

Not Applicable

Item 4. Ownership

As of December 31, 2008:

(a) Amount beneficially owned:

D. E. Shaw & Co., L.P.: 2,306,297 shares
This is composed of (i) 1,361,562 shares in the name of D. E. Shaw Oculus Portfolios, L.L.C., (ii) 427,446 shares in the name of D. E. Shaw Valence Portfolios, L.L.C., (iii) 394,900 shares that D. E. Shaw Valence Portfolios, L.L.C. has the right to acquire through the exercise of listed call options, (iv) 185 shares in the name of D. E. Shaw Synoptic Portfolios 2, L.L.C., and (iv) 122,204 shares under the management of D. E. Shaw Investment Management, L.L.C.

Stockholder Communications with the Board of Directors

Our Board has adopted a formal process by which our stockholders may communicate with the Board or any of its directors. Persons interested in communicating with the Board with their concerns or issues may address correspondence to the Board, to a particular director, or to the independent directors generally, in care of Gladstone Commercial Corporation, Attention: Investor Relations, at 1521 Westbranch Drive, Suite 100, McLean, Virginia 22102. This information is also contained on our website at www.GladstoneCommercial.com.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics (the Code) that applies to all of our officers and directors and to the employees of our Adviser and our Administrator. The Ethics Committee reviews, approves and recommends to our Board any changes to the Code. They also review any violations of the Code and make recommendations to the Board on those violations, if any. The Code is available to stockholders in the Corporate Governance section of our website at www.GladstoneCommercial.com. If we make any substantive amendments to the Code or grant any waiver from a provision of the code to any executive officer or director, we will promptly disclose the nature of the amendment or waiver on our website, as specified above, or in a filing with the SEC, as applicable.

The Executive Committee

The Executive Committee, which is comprised of Messrs. Gladstone (Chairman), Brubaker and Parker, has the authority to exercise all powers of our Board, except for actions that must be taken by a majority of independent directors or the full Board under applicable rules and regulations. The Executive Committee did not meet during the last fiscal year.

The Offering Committee

The Offering Committee, which was comprised of Messrs. Gladstone (Chairman), Brubaker and Parker during the last fiscal year, with each of our other current and future directors who meet the independence requirements delineated in the Nasdaq listing standards serving as alternates for Mr. Parker, is responsible for assisting the Board in discharging its responsibilities regarding the offering from time to time of our securities. The Offering Committee has all powers of the Board that are necessary or appropriate and may lawfully be delegated to the Offering Committee in connection with an offering of our securities. Our Offering Committee was formed in January 2013, and operates pursuant to a written charter, which is available to stockholders and can be found in the Corporate Governance section of our website at www.GladstoneCommercial.com. The Offering Committee did not meet during the last fiscal year.

The Valuation Committee

The Valuation Committee, which was comprised of Ms. Merrick (Chairperson), and Messrs. Outland, Parker and Wilkinson during the last fiscal year, with each of our other current and future independent directors serving as alternates, is responsible for assisting the Board in determining the fair value of properties that are impaired and the quarterly valuation of our senior common stock. The Valuation Committee was formed in July 2015, and operates pursuant to a written charter, which is available to stockholders and can be found in the Corporate Governance section of our website at www.GladstoneCommercial.com. The Valuation Committee met four times during the last fiscal year.

Oversight of Risk Management

Since September 2007, John Dellafiora has served as our chief compliance officer, and in that position, Mr. Dellafiora directly oversees our enterprise risk management function and reports to our chief executive officer, the Audit Committee and the Board in this capacity. Mr. Dellafiora also serves as chief compliance officer of Gladstone Capital, Gladstone Land, Gladstone Investment, the Adviser, the Administrator and Gladstone Securities. Mr. Dellafiora also serves as a managing principal of and is on the board of managers of Gladstone Securities. In fulfilling his risk management responsibilities, Mr. Dellafiora works closely with other

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members of senior management including, among others, our chief executive officer, chief financial officer, treasurer, chief operating officer, and general counsel.

The Board, in its entirety, plays an active role in overseeing management of our risks. The Board regularly reviews information regarding our credit, liquidity and operations, as well as the risks associated with each. Each of the following committees of the Board plays a distinct role with respect to overseeing management of our risks:

Audit Committee: Our Audit Committee oversees our enterprise risk management function. To this end, our Audit Committee meets at least annually (i) to discuss our risk management guidelines, policies and exposures and (ii) with our independent registered public accounting firm to review our internal control environment and other risk exposures.

Compensation Committee: Our Compensation Committee oversees the management of risks relating to the fees paid to our Adviser and Administrator under the Advisory Agreement and the Administration Agreement, respectively. In fulfillment of this duty, the Compensation Committee meets at least annually to review these agreements and determines whether or not to recommend to the Board renewal of such Agreements for the upcoming year. In addition, the Compensation Committee reviews the performance of our Adviser to determine whether the compensation paid was reasonable in relation to the nature and quality of services performed and whether the provisions of the Advisory Agreement were satisfactorily performed.

Ethics, Nominating and Corporate Governance Committee: Our Ethics Committee manages risks associated with the independence of our directors and potential conflicts of interest.

Valuation Committee: Our Valuation Committee manages risks associated with valuation of our senior common stock and impaired properties, if any. In addition the Valuation Committee facilitates communication between the Board, our senior and financial management and our independent public accountants related to valuation matters.

While each of the aforementioned committees is responsible for evaluating certain risks and overseeing the management of such risks, the committees each report to our Board on a regular basis to apprise our Board regarding the status of remediation efforts of known risks and of any new risks that may have arisen since the previous report.

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PROPOSAL 2

RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board has selected PwC as our independent registered public accounting firm, which will audit our financial statements for the fiscal year ending December 31, 2019, and has further directed that management submit the selection of the independent registered public accounting firm for ratification by the stockholders at the Annual Meeting. PwC has audited our financial statements since our fiscal year ended December 31, 2003. Representatives of PwC are expected to be present at the Annual Meeting and will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Neither our Bylaws nor other governing documents or law require stockholder ratification of the selection of PwC as our independent registered public accounting firm. However, the Audit Committee is submitting the selection of PwC to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of us and our stockholders.

The affirmative vote of the holders of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting will be required to ratify the selection of PwC. Abstentions will be considered present and entitled to vote for the purpose of determining whether a quorum exists, although they will not be counted for any purpose in determining whether this matter has been approved.

Independent Registered Public Accounting Firm Fees

The following table represents the amount and type of fees capitalized or expensed by us for the fiscal years ended December 31, 2017 and December 31, 2018 that were charged by PwC, our principal independent registered public accounting firm.

	2017	2018
Audit fees	$ 601,588	$ 545,986
Audit related fees		
Tax fees		
All other fees		
Total	$ 601,588	$ 545,986

In the above table, in accordance with the SEC s definitions and rules, audit fees are fees for professional services for the audit of a company s financial statements included in the annual report on Form 10-K, for the review of a company s financial statements included in the quarterly reports on Form 10-Q, and for services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements. All fees described above were pre-approved by the Audit Committee in accordance with the policies and procedures described below.

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Pre-Approval Policy and Procedures

The Audit Committee has adopted a policy and procedures for the pre-approval of audit and non-audit services rendered by our independent registered public accounting firm, PwC. Pursuant to the policy specified services in the defined categories of audit services, audit-related services and tax services up to specified amounts are generally pre-approved; however, there were no such services provided by PwC in the last two fiscal years. Pre-approval may also be given as part of the Audit Committee s approval of the scope of the engagement of the independent registered public accounting firm or on an individual explicit case-by-case basis before the independent registered public accounting firm is engaged to provide each service. The pre-approval of services may be delegated to one or more of the Audit Committee s members, but the decision must be reported to the full Audit Committee at its next scheduled meeting.

The Audit Committee has determined that the rendering of the services other than audit services by PwC, if any, when incurred, is compatible with maintaining the principal independent registered public accounting firm s independence.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR PROPOSAL 2.

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REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Audit Committee has reviewed and discussed our audited financial statements with management and PwC, our independent registered public accounting firm, with and without management present. The Audit Committee included in its review results of the independent registered public accounting firm s examinations, our internal controls, and the quality of our financial reporting. The Audit Committee also reviewed our procedures and internal control processes designed to ensure full, fair and adequate financial reporting and disclosures, including procedures for certifications by our chief executive officer and chief financial officer that are required in periodic reports filed by us with the SEC. The Audit Committee further reviewed with the independent registered public accounting firm their opinion on our effectiveness of internal control over financial reporting. The Audit Committee is satisfied that our internal control system is adequate and that we employ appropriate accounting and auditing procedures.

Management represented to the Audit Committee that the Company s consolidated financial statements for the year ended December 31, 2018 were prepared in accordance with generally accepted accounting principles. The Audit Committee discussed with the independent registered public accounting firm the matters required to be discussed under Statement on Auditing Standards No. 1301 (*Communications with Audit Committees*) as adopted by the Public Company Accounting Oversight Board (PCAOB), which addresses communication between audit committees and independent registered public accounting firms. The Audit Committee has also received the written disclosures and the letter from the independent registered public accounting firm required by PCAOB Rule 3526 (*Communication with Audit Committees Concerning Independence*), and has discussed with the independent registered public accounting firm the independent registered public accounting firm s independence. The Audit Committee discussed and reviewed with PwC our critical accounting policies and practices, internal controls, other material written communications to management, and the scope of PwC s audits and all fees paid to PwC during the fiscal year. The Audit Committee adopted guidelines requiring review and pre-approval by the Audit Committee of audit and non-audit services performed by PwC. The Audit Committee has reviewed and considered the compatibility of PwC s performance of non-audit services with the maintenance of PwC s independence as our independent registered public accounting firm.

Based on the Audit Committee s review and discussions referred to above, the Audit Committee recommended to the Board that our audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, for filing with the SEC. In addition, the Audit Committee has engaged PwC to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2019.

Submitted by the Audit Committee

Anthony W. Parker, Chairperson

Michela A. English

Caren D. Merrick

John H. Outland

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SECURITY OWNERSHIP OF

CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the ownership of our common stock as of February 19, 2019, by: (i) each director and nominee for director; (ii) each of our named executive officers; (iii) all of our executive officers and directors as a group; and (iv) all those known by us to be beneficial owners of more than 5% of our common stock. Except as otherwise noted, the address of the individuals below is c/o Gladstone Commercial Corporation, 1521 Westbranch Drive, Suite 100, McLean, VA 22102.

	Beneficial Ownership(1)	
Beneficial Owner	**Number of Shares**	**Percent of Total**
Directors:		
Paul Adelgren	10,728	*
Terry L. Brubaker		
Michela A. English	2,111(2)	*
David Gladstone	496,564(3)	1.65%
Caren D. Merrick	2,816	
John H. Outland	2,461	*
Anthony W. Parker	33,098	*
Walter H. Wilkinson, Jr.	8,324	
Named Executive Officers (that are not directors)		
Mike Sodo	5,000	*
All executive officers and directors as a group (11 persons)	609,977	2.02%
Over 5% Stockholders		
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	2,252,248(4)	7.46%
Renaissance Technologies LLC 800 Third Avenue New York, NY 10022	2,440,900(5)	8.09%
The Vanguard Group 23-1945930 100 Vanguard Blvd. Malvern, PA 19355	2,948,788(6)	9.77%

* Less than 1%

(1) This table is based upon information supplied by officers, directors and principal stockholders. Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, we believe that each of the stockholders named in this table has sole voting and sole investment power with respect to the shares indicated as beneficially owned. Percentages are determined in accordance with SEC rules and regulations and are based upon 30,179,793 shares of common stock outstanding on February 19, 2019.

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(2) Includes 2,111 shares that are pledged as collateral in connection with a margin account.

(3) Includes 17,000 shares held by The Gladstone Companies, Ltd. and 13,000 shares held by Gladstone International Corporation, Ltd.

(4) Information shown is based solely on information reported by the filer on a Schedule 13G/A filed with the SEC on February 4, 2019, in which BlackRock, Inc. reported that it and its subsidiaries have sole voting power over 2,169,217 shares and sole dispositive power over 2,252,248 shares.

(5) Information shown is based solely on information reported by the filer on a Schedule 13G/A filed with the SEC on February 13, 2019, in which Renaissance Technologies LLC reported that it and its subsidiary have sole voting power over 2,279,500 shares, sole dispositive power over 2,438,523 shares and shared power to dispose or direct the disposition of 2,377 shares.

(6) Information shown is based solely on information reported by the filer on a Schedule 13G/A filed with the SEC on February 11, 2019, in which The Vanguard Group reported that it and its subsidiaries have the sole power to vote 28,789 shares, sole dispositive power over 2,921,260 shares, shared voting power over 1,875 shares and shared dispositive power over 27,528 shares.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and executive officers, and certain persons who own more than 10% of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and our other equity securities. Officers, directors and greater than 10% stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms that they file.

To our knowledge, based solely upon a review of the copies of such reports furnished to us and written representations that no other reports were required during the fiscal year ended December 31, 2018, our officers, directors and greater than 10% beneficial owners complied with all applicable Section 16(a) filing requirements.

EXECUTIVE OFFICERS

Set forth below are our executive officers.

Executive Officer	Title
David Gladstone	Chairman and Chief Executive Officer
Terry L. Brubaker	Vice Chairman and Chief Operating Officer
Robert Cutlip	President
Mike Sodo	Chief Financial Officer
Jay Beckhorn	Treasurer

The biography of Mr. Gladstone is set forth under the heading *Nominees for Election for a Three-year Term, Expiring at the 2022 Annual Meeting of Stockholders* and the biography of Mr. Brubaker is set forth under the heading *Directors Continuing In Office Until the 2021 Annual Meeting of Stockholders*.

Set forth below are brief biographies of Messrs. Cutlip, Sodo and Beckhorn, our only executive officers who are not also directors.

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Robert Cutlip. Mr. Cutlip, age 69, has served as our president since June 2012. Prior to his appointment, Mr. Cutlip was Managing Director of the Southeast and Mid-Atlantic Regions with Sealy & Company, LLC, a vertically integrated real estate operating company. Mr. Cutlip was also a founding principal of Attentus Advisors, a real estate advisory consulting firm, in January 2009. From March 2006 to December 2008, Mr. Cutlip was a Managing Director and then Executive Vice President of North American Operations with First Industrial Realty Trust, Inc., a publicly traded industrial real estate investment trust. Previous to that, Mr. Cutlip held various management positions with Highwoods Properties, Inc. and Duke-Weeks Realty Corporation, both publicly traded real estate investment trusts. Mr. Cutlip has over 29 years of experience sourcing acquisitions, underwriting transactions, negotiating and executing development transactions, and overseeing asset management plan execution. He is currently a member of the National Association of Industrial and Office Properties (NAIOP), a trade association for developers, owners and investors in industrial office and related commercial real estate. At NAIOP he has held a number of positions, including, National Chairman in 2006, Chairman of NAIOP Research Foundation in 2011 and as a member of the NAIOP Commercial Real Estate Credit and Capital Advisory Board in 2011. He is also currently a member of NAIOP s Industrial Forum. Mr. Cutlip received a Bachelors of Science in Civil Engineering from the US Air Force Academy, an MS in Civil Engineering from Vanderbilt University and an MBA in Finance from University of Southern California.

Mike Sodo. Mr. Sodo, age 41, has served as our chief financial officer since October 2016. Prior to joining Gladstone Commercial, he served as Executive Vice President, Chief Financial Officer and Treasurer of VEREIT, Inc. from October 2014 to October 2015 and as Senior Vice President Director of Financial Reporting and Treasury of VEREIT, Inc. from August 2014 until he was appointed as the Chief Financial Officer of VEREIT. He served in numerous accounting positions in Capital Automotive, a real estate investment trust, from June 2003 to July 2014, rising to the level of Senior Vice President Director of Financial Reporting and Treasurer. Mr. Sodo started his career at KPMG and is a licensed CPA in the Commonwealth of Virginia. He holds a BBA from the College of William and Mary.

Jay Beckhorn. Mr. Beckhorn, age 57, has served as our treasurer since January 2015 and previously served as our assistant treasurer from July 2014 until January 2015. Mr. Beckhorn was also appointed treasurer of Gladstone Land in January 2015 and also served as the assistant treasurer of each of the Company and Gladstone Land from July 2014 through January 2015. Mr. Beckhorn was also named assistant treasurer of each of Gladstone Capital and Gladstone Investment in January 2015. Mr. Beckhorn joined the Gladstone Companies in January 2013 as Managing Director, Finance. Prior to joining Gladstone, he was a Regional Director (from March 2010 through December 2012) with Heavenrich & Co., an M&A group that serves the senior housing industry. Mr. Beckhorn served as a Senior Vice President with Sunrise Senior Living from May 2000 through December 2008, where he secured debt financing to support the company s development, acquisition, and joint venture activities. Additionally, he worked for the Riggs Bank in a variety of real estate related capacities including Managing Director and Senior Asset Manager for the Multi-Employer Property Trust, spanning from February 1990 through April 2000. Mr. Beckhorn earned an MBA from Duke University s Fuqua School of Business and a BA from Colgate University.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

None of our executive officers receive direct compensation from us. We do not currently have any employees and do not expect to have any employees in the foreseeable future. The services necessary for the operation of our business are provided to us by our officers and the other employees of our Adviser and Administrator, pursuant to the terms of the Advisory and Administration Agreements, respectively.
Mr. Gladstone, our chairman and chief executive officer, Mr. Brubaker, our vice chairman and chief operating officer, and Mr. Cutlip, our president, are all employees of and compensated directly by our Adviser. Mr. Sodo, our chief financial officer, and Mr. Beckhorn, our treasurer, are employees of our Administrator. Under the Administration Agreement, we reimburse our Administrator for our allocable portion of the chief financial officer and treasurers compensation. During our last fiscal year, our allocable portion of Mr. Sodo s compensation paid by our Administrator was approximately $73,064 of his salary, $42,630 of his bonus, and $5,661 of the cost of his benefits.

During the fiscal year ended December 31, 2018, we incurred total fees of approximately $8.1 million to our Adviser under the Advisory Agreement and $1.6 million to our Administrator under the Administration Agreement. For a discussion of the terms of our Advisory and Administration Agreements, see *Transactions With Related Persons*.

DIRECTOR COMPENSATION

The following table shows for the fiscal year ended December 31, 2018, certain information with respect to the compensation of all our non-executive directors:

Name	Fees Earned or Paid in Cash	Total
Paul W. Adelgren	$ 38,000	$ 38,000
Michela A. English	37,000	37,000
Caren D. Merrick	37,000	37,000
John H. Outland	48,000	48,000
Anthony W. Parker	44,500	44,500
Walter H. Wilkinson, Jr.	37,000	37,000

For our fiscal year ended December 31, 2018, as compensation for serving on our Board, each of our independent directors received an annual fee of $25,000, an additional $1,000 for each Board meeting attended, and an additional $1,000 for each committee meeting attended if such committee meeting took place on a day other than when the full Board met. In addition, the chairperson of the Audit Committee received an annual fee of $7,500. The chairperson of the Valuation and Compensation Committees received an annual fee of $3,000 for his or her additional service in this capacity, and the chairperson of the Ethics Committee received an annual fee of $1,000 for his additional service in this capacity. In addition, we reimburse our directors for their reasonable out-of-pocket expenses incurred in connection with their Board service, including those incurred for attendance at Board and committee meetings.

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We do not pay any compensation to directors who also serve as our officers, or as officers or directors of our Adviser or our Administrator, in consideration for their service on our Board. Our Board may change the compensation of our independent directors in its discretion upon the recommendation of our Compensation Committee. None of our independent directors received any compensation from us during the fiscal year ended December 31, 2018 other than for Board or committee service and meeting fees.

REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis (CD&A) contained in this proxy statement. Based on this review and discussion, the Compensation Committee has recommended to the Board that the CD&A be included in this proxy statement and incorporated into our Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Submitted by the Compensation Committee

John H. Outland, Chairperson

Paul W. Adelgren

Walter H. Wilkinson, Jr.

TRANSACTIONS WITH RELATED PERSONS

Advisory and Administration Agreements

Under the Advisory Agreement, our Adviser is responsible for our daily operations of managing the investment and reinvestment of our assets. Specifically, these responsibilities include (i) identifying, evaluating, negotiating and consummating all investment transactions consistent with our investment objectives and criteria; (ii) providing us with all required records and regular reports to our Board concerning our Adviser s efforts on our behalf; and (iii) maintaining compliance with all regulatory requirements applicable to us. The Advisory Agreement provides for an annual base management fee equal to 1.5% of our adjusted total stockholders equity, which is our total stockholders equity (before giving effect to the base management fee and incentive fee), adjusted to exclude the effect of any unrealized gains or losses that do not affect realized net income (including impairment charges) and adjusted for any one-time events and certain non-cash items (the later to occur for a given quarter only upon the approval of our Compensation Committee). The fee is calculated and accrued quarterly as 0.375% per quarter of such adjusted total stockholders equity figure. The definition of adjusted total stockholders equity in the calculation of the base management fee and the incentive fee (described below) includes total mezzanine equity and outstanding common units of limited partnership interest in Gladstone Commercial Limited Partnership (Operating Partnership) issued to non-controlling Operating Partnership Unitholders. The Advisory Agreement also rewards our Adviser with an incentive fee when our quarterly Core FFO (defined at the end of this paragraph), before giving effect to any incentive fee, or pre-incentive fee Core FFO, exceeds 2.0% quarterly, or 8.0% annualized, of adjusted total stockholders equity (after giving effect to the base management fee but before giving effect to the incentive fee). We refer to this as the hurdle amount. The Adviser will receive 15.0% of the amount of our pre-incentive fee Core FFO that exceeds the hurdle amount. However, in no event shall the incentive fee for a particular quarter exceed by 15.0% (the cap) the average quarterly incentive fee paid by us for the previous four quarters (excluding quarters for which no incentive fee was paid). Core FFO (as defined in the Advisory Agreement) is defined as GAAP net income (loss) available to common stockholders, excluding the incentive fee, depreciation and amortization, any realized and unrealized gains, losses or other non-cash items recorded in net income (loss) available to common stockholders for the period, and one-time events pursuant to changes in GAAP.

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Our Adviser has the ability to issue a full or partial waiver of the incentive fee and may do so to maintain the current level of distributions to our stockholders. Any such waiver is subject to the approval of our Board. The Adviser did not waive any portion of the fee for the year ended December 31, 2018.

Further, the Advisory Agreement provides for a capital gains-based incentive that will be determined by calculating aggregate realized capital gains and aggregate realized capital losses for the applicable time period. For this purpose, aggregate realized capital gains and losses, if any, equals the realized gain or loss calculated by the difference between the sales price of the property (based on the all-in acquisition cost of disposed properties), less any costs to sell the property and the current gross value of the property (which is calculated as the original acquisition price plus any subsequent non-reimbursed capital improvements). At the end of the respective fiscal year, if this number is positive, then the capital gain fee payable for such time period shall equal 15.0% of such amount. No capital gain fee was recognized during the years ended December 31, 2018, 2017, and 2016.

Additionally, the Advisory Agreement includes a termination fee whereby, in the event of our termination of the agreement without cause (with 120 days prior written notice and the vote of at least two-thirds of our independent directors), a termination fee would be payable to the Adviser equal to two times the sum of the average annual base management fee and incentive fee earned by the Adviser during the 24-month period prior to such termination. A termination fee is also payable if the Adviser terminates the agreement after the Company has defaulted and applicable cure periods have expired. The agreement may also be terminated for cause by us (with 30 days prior written notice and the vote of at least two-thirds of our independent directors), with no termination fee payable. Cause is defined in the agreement to include if the Adviser breaches any material provisions of the agreement, the bankruptcy or insolvency of the Adviser, dissolution of the Adviser and fraud or misappropriation of funds.

Under the Administration Agreement, we pay separately for administrative services including record keeping and regulatory compliance functions. Payments under the Advisory Agreement are generally equal to our allocable portion of our Administrator s overhead expenses in performing its obligations under the Administration Agreement, including rent for the space occupied by our Administrator, and our allocable portion of the salaries, bonuses, and benefits expenses of our chief financial officer, treasurer, chief compliance officer, general counsel and secretary and their respective staffs. Our allocable portion of the Administrator s expenses are generally derived by multiplying our Administrator s total expenses by the approximate amount of time the Administrator s employees perform services for us in relation to their time spent performing services for all companies serviced by our Administrator under contractual agreements.

Each of David Gladstone and Terry L. Brubaker serve as an executive officer and director of ours and of each of our Adviser and our Administrator. Robert Cutlip, our president, is employed by our Adviser as an executive managing director. Michael LiCalsi, our general counsel and secretary, also has served as the president of the Administrator since July 2013 and as general counsel and secretary of each of the Adviser and Administrator since 2009 and 2012, respectively. He has also served as chief legal officer and a managing principal of Gladstone Securities since 2010. Mike Sodo, our chief financial officer is an employee of the Administrator. Our treasurer, Jay Beckhorn is an employee of our Administrator and is also the treasurer of Gladstone Land and a registered representative of Gladstone Securities that assists in procuring mortgage financing for our properties as discussed below in *Mortgage Financing Arrangement Agreement*. David Gladstone is the indirect controlling stockholder of each of our Adviser and Administrator. Although we believe that the terms of the Advisory Agreement and the Administration Agreement are no less favorable to us than those that could be obtained from unaffiliated third parties in arms length transactions, our Adviser and Administrator, their officers and their directors have a material interest in the terms of these agreements.

During the fiscal year ended December 31, 2018, we incurred total fees of approximately $8.1 million to our Adviser under the Advisory Agreement and $1.6 million to our Administrator under the Administration Agreement.

Mortgage Financing Arrangement Agreement

Gladstone Securities, an affiliated broker dealer which is 100% indirectly owned and controlled by Mr. Gladstone, provides mortgage financing services to us under a contractual agreement. Pursuant to the agreement, effective June 18, 2013, Gladstone Securities acts as our non-exclusive agent to assist us with arranging mortgage financing for properties we own. In connection with this engagement, Gladstone Securities may from time to time solicit the interest of various commercial real estate lenders or recommend to us third party lenders offering credit products or packages that are responsive to our needs. We pay Gladstone Securities a financing fee in connection with the services it provides to us for securing mortgage financing on any of our properties. The amount of these financing fees, which are payable upon closing of the financing, are based on a percentage of the amount of the mortgage, generally ranging from 0.15% to a maximum of 1.0% of the mortgage obtained. The amount of the financing fees may be reduced or eliminated, as determined by us and Gladstone Securities, after taking into consideration various factors, including, but not limited to, the involvement of any third party brokers and market conditions. Messrs. Gladstone, LiCalsi and Dellafiora serve on the board of managers of Gladstone Securities. Our Board reviews, approves and ratifies these fees each quarter. We paid financing fees of $0.2 million and $0.1 million during the fiscal years ended December 31, 2017 and 2018, or 0.24% and 0.11% of total mortgages secured or extended, respectively.

Conflict of Interest Policy

We have adopted policies to reduce potential conflicts of interest. In addition, our directors are subject to certain provisions of Maryland law that are designed to minimize conflicts. Under our current conflict of interest policy, without the approval of a majority of disinterested directors, we will not:

- acquire from or sell to any of our officers, directors or employees of our Adviser or our Administrator, or any entity in which any of our officers, directors or such employee has an interest of more than 5%, any assets or other property;
- make any loan to or borrow from any of our directors, officers or employees of our Adviser or our Administrator, or any entity, in which any of our officers, directors or such employee has an interest of more than 5%;
- grant warrants or options to purchase our stock to any of our directors, officers or employees of our Adviser or our Administrator, or any entity in which any of our officers, directors or such employee has an interest of more than 5%, except pursuant to the company s equity incentive plans; or
- engage in any other transaction with any of our directors, officers or employees of our Adviser or our Administrator, or any entity in which any of our directors, officers or such employee has an interest of more than 5% (except that our Adviser may lease office space in a building that we own, provided that the rental rate under the lease is determined by our independent directors to be at a fair market rate).

Where allowed by applicable rules and regulations, from time to time we may enter into transactions with our Adviser or one or more of its affiliates. A majority of our independent directors and a majority of our directors not otherwise interested in a transaction with our Adviser must approve all such transactions with our Adviser or its affiliates.

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It is our current policy that we will not purchase any property from or co-invest with our Adviser, any of its affiliates or any business in which our Adviser or any of its subsidiaries have invested except that we may make leases to existing and prospective portfolio companies of entities advised by our Adviser, as long as the portfolio company is not controlled by that entity and the transaction is approved by both companies boards. If we decide to change this policy on co-investments with our Adviser or its affiliates, we will seek approval of this decision from our stockholders.

Indemnification

In our Articles of Restatement (our Charter) and Bylaws, we have agreed to indemnify our directors and certain of our officers by providing, among other things, that we will indemnify such officer or director, under the circumstances and to the extent provided for therein, for expenses, damages, judgments, fines and settlements he or she may be required to pay in actions or proceedings, which he or she is or may be made a party by reason of his or her position as a director, officer or other agent of ours, and otherwise to the fullest extent permitted under Maryland law our Charter and our Bylaws.

Each of the Advisory and Administration Agreements provides that, absent willful misfeasance, bad faith or gross negligence in the performance of their duties or by reason of the reckless disregard of their duties and obligations, our Adviser, our Administrator and their respective officers, managers, agents, employees, controlling persons, members and any other person or entity affiliated with them are entitled to indemnification from us for any damages, liabilities, costs and expenses (including reasonable attorneys fees and amounts reasonably paid in settlement) arising from the rendering of our Adviser s or our Administrator s services under the current Advisory or Administration Agreements, respectively, or otherwise as an investment adviser of ours.

HOUSEHOLDING OF PROXY MATERIALS

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for the Notice or other proxy materials with respect to two or more stockholders sharing the same address by delivering a single copy of the Notice or other proxy materials addressed to those stockholders. This process, which is commonly referred to as householding, potentially means extra convenience for stockholders and cost savings for companies.

This year, a number of brokers with account holders who are Gladstone Commercial stockholders will be householding our proxy materials. A single Notice will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that they will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate Notice, please notify your broker or us. Direct your written request to Investor Relations at 1521 Westbranch Drive, Suite 100, McLean, Virginia 22102 or call our toll-free investor relations line at 1-866-366-5745. Stockholders who currently receive multiple copies of the Notice at their addresses and would like to request householding of their communications should contact their brokers. In addition, we will promptly deliver, upon written or oral request to the address or telephone number above, a separate copy of the Notice to a stockholder at the address to which a single copy of the Notice was delivered.

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PRIVACY NOTICE

We are committed to maintaining the privacy of our stockholders and to safeguarding their nonpublic personal information. The following information is provided to help you understand what personal information we collect, how we protect that information and why, in certain cases, we may share information with select other parties.

From time to time, we may receive nonpublic personal information relating to our stockholders. We do not disclose nonpublic personal information about our stockholders or former stockholders to anyone, except as required by law or as is necessary in order to service stockholder accounts (for example, to a transfer agent or third-party administrator).

We restrict access to nonpublic personal information about our stockholders to employees of our Administrator, its affiliates or authorized service providers that have a legitimate business need for the information. We maintain physical, electronic and procedural safeguards designed to protect the nonpublic personal information of our stockholders.

OTHER MATTERS

The Board knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their discretion.

By Order of the Board of Directors,

Michael LiCalsi

Secretary

March 18, 2019

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GLADSTONE COMMERCIAL CORPORATION

1521 WESTBRANCH DRIVE, SUITE 100

MCLEAN, VA 22102

VOTE BY INTERNET
Before The Meeting - Go to **www.proxyvote.com**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

During The Meeting - Go to **www.virtualshareholdermeeting.com/GOOD2019**

You may attend the Meeting via the Internet and vote during the Meeting. Have the information that is printed in the box marked by the arrow available and follow the instructions.

VOTE BY PHONE - 1-800-690-6903
Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL
Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

E58883-P19606 KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

GLADSTONE COMMERCIAL CORPORATION	For All	Withhold All	For All Except	To withhold authority to vote for any individual nominee(s), mark For All Except and write the number(s) of the nominee(s) on the line below.
The Board of Directors recommends you vote FOR the following:				

1. Election of Directors

Nominees:

01) David Gladstone
02) Paul W. Adelgren
03) John H. Outland

The Board of Directors recommends you vote FOR the following proposal: **For Against Abstain**

2. To ratify our Audit Committee s selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2019.

NOTE: To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

For address change/comments, mark here. (see reverse for instructions)

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature Date Signature Date

[PLEASE SIGN WITHIN BOX]	(Joint Owners)

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Notice and Proxy Statement and Annual Report are available at www.proxyvote.com.

E58884-P19606

GLADSTONE COMMERCIAL CORPORATION

Annual Meeting of Stockholders

May 2, 2019 11:00 a.m.

This proxy is solicited by the Board of Directors

The undersigned hereby appoints Mike Sodo and Michael LiCalsi, and each of them acting individually, as attorneys and proxies of the undersigned, with full power of substitution, to vote all of the shares of stock of Gladstone Commercial Corporation which the undersigned may be entitled to vote at the Annual Meeting of Stockholders of Gladstone Commercial Corporation to be held virtually at www.virtualshareholdermeeting.com/GOOD2019, on Thursday, May 2, 2019 at 11:00 a.m. (eastern daylight time), and at any and all postponements, continuations and adjournments thereof, with all powers that the undersigned would possess if personally present, upon and in respect of the following matters and in accordance with the following instructions, with discretionary authority as to any and all other matters that may properly come before the meeting.

This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors recommendations.

Address Changes/Comments: ______________________________
____

____
____

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

Continued and to be signed on reverse side