

Kruse James Joseph
Form 4
February 27, 2007

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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(Print or Type Responses)

1. Name and Address of Reporting Person *
Kruse James Joseph

2. Issuer Name **and** Ticker or Trading
Symbol
TRUSTREET PROPERTIES INC
[TSY]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
450 SOUTH ORANGE AVENUE
(Street)

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

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

ORLANDO, FL 32801

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 Ownership Indirect Beneficial Ownership (Instr. 4)	
			Code	V	Amount	(A) or (D)	Price	
Common Stock	02/26/2007		D		12,965	D	\$ 17.05 (1)	0
								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
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SEC 1474
(9-02)

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

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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. Title and Amount of Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
7.5% Series C Redeemable Convertible Preferred Stock	\$ 19.5	02/26/2007		D	1,600 (2)	(3)	(4)	Common Stock	2,051	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kruse James Joseph 450 SOUTH ORANGE AVENUE ORLANDO, FL 32801			X	

Signatures

/s/ James Joseph
Kruse

02/26/2007

__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) These shares were disposed of pursuant to a merger agreement among issuer, CNL APF Partners, LP, General Electric Capital Corporation, FF-TSY Holding Company, Inc., TSY-FF Acquisition Company, Inc. ("Merger Sub") and Franchise-TSY Acquisition, LLC (the "Merger Agreement"). In connection with the closing of the merger, each common share was cancelled in exchange for the right to receive \$17.05 in cash.

(2) The reported disposition reflects shares disposed of pursuant to the Merger Agreement each in exchange for one share of 7.5% Series C Redeemable Convertible Preferred Stock of Merger Sub (which has a liquidation value of \$25.00 per share) on the effective date of the merger.

(3) Exercisable immediately.

(4) None.

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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