GYRODYNE CO OF AMERICA INC
Form PREM14A
October 21, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
(RULE 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934
Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:

- Preliminary Proxy Statement

- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

- Definitive Proxy Statement

- Definitive Additional Materials

- Soliciting Material Pursuant to Rule §240.14a-12

GYRODYNE COMPANY OF AMERICA, INC.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than Registrant)
Payment of Filing Fee (Check the appropriate box):

- No fee required.

- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1.

- Title of each class of securities to which transaction applies:

2.

- Aggregate number of securities to which transaction applies:

3.

- Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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- Proposed maximum aggregate value of transaction:

5.

- Total fee paid:

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- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1.

- Amount Previously Paid: $14,488.93

2.

- Form, Schedule or Registration Statement No.: Form S-4 333-191820

3.

- Filing Party: Gyrodyne, LLC

4.

- Date Filed: October 18, 2013

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The information in this proxy statement/prospectus is not complete and may be changed. Gyrodyne, LLC may not sell or issue these securities until the registration statement filed with the Securities and Exchange Commission of which this proxy statement/prospectus forms a part is effective. This proxy statement/prospectus is not an offer to sell these securities and Gyrodyne, LLC is not soliciting an offer to buy these securities in any jurisdiction where such offer or sale is not permitted.

PRELIMINARY PROXY STATEMENT — SUBJECT TO COMPLETION DATED OCTOBER 18, 2013

One Flowerfield, Suite 24
Saint James, New York 11780

Dear Shareholders:

I cordially invite you to the 2013 annual meeting of shareholders of Gyrodyne Company of America, Inc., which we will hold at Flowerfield Celebrations, Mills Pond Road, Saint James, New York 11780 on December [10], 2013, at 11:00 a.m., Eastern Time. Shareholders of record at the close of business on October 28, 2013, will be entitled to vote at the annual meeting or its adjournment or postponement, if any.

As previously announced, further to Gyrodyne's previously stated goal of providing one or more tax efficient liquidity events to its shareholders and taking into account, among other factors, Gyrodyne's receipt of a private letter ruling from the Internal Revenue Service that permits Gyrodyne to distribute, by means of a special dividend, the gains realized from its receipt of additional damages in July 2012 in connection with judgments in Gyrodyne's favor in condemnation litigation with the State of New York regarding 245.5 acres of Gyrodyne's Flowerfield property in St. James and Stony Brook, New York, subject to a 4% excise tax but without incurring a REIT-level 35% capital gains tax, our board of directors concluded that it is in the best interests of Gyrodyne and its shareholders to liquidate Gyrodyne in an orderly manner. On that basis, on September 12, 2013, our board of directors adopted a plan of liquidation within the meaning of the Internal Revenue Code.

At the annual meeting, we will ask you to authorize a plan of merger and the transactions contemplated thereby, including the merger of Gyrodyne with and into a limited liability company. The plan of merger is designed to facilitate the liquidation of Gyrodyne for tax purposes. Following the merger, if implemented, it is the current intent of our board of directors that the company would operate with a business plan to dispose of its current real property assets in an orderly manner designed to obtain the best value reasonably available for such assets. In addition, we are asking you to elect two directors, ratify the appointment of our independent registered public accounting firm for the 2013 fiscal year and, on an advisory basis, to approve certain executive compensation matters and the frequency of future advisory votes on such matters and to consider such other matters as may properly come before the meeting. Our board of directors believes that the proposals being submitted for shareholder action are in the best interests of Gyrodyne and its shareholders and recommends a vote "FOR" each proposal.

This proxy statement/prospectus is the proxy statement of Gyrodyne Company of America, Inc. for the annual meeting and also the prospectus of Gyrodyne, LLC for the common shares representing limited liability company interests in the limited liability company that will be issued to Gyrodyne shareholders in connection with the merger, if it is implemented. This proxy statement/prospectus contains information about the meeting and will serve as your guide to the matters on which you will be asked to vote.

Your vote is very important to us and it is important that your shares be represented at the annual meeting. The plan of merger and the transactions contemplated thereby cannot be completed unless shareholders of at least two-thirds of all outstanding shares of Gyrodyne common stock entitled to vote thereon vote in favor of such proposal. Whether or not you plan to attend the annual meeting, I encourage you to promptly vote your shares by proxy by following the instructions beginning on page [-] of this proxy statement. If you are able to attend the meeting and wish to vote in person, you may withdraw your proxy at that time.

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If you have any questions or need assistance voting your shares of Gyrodyne common stock, please call MacKenzie Partners, Inc., our proxy solicitor, toll-free at 1-800-322-2885.

Thank you for your continued support of Gyrodyne. I look forward to seeing you at the meeting.

Sincerely,

Frederick C. Braun III

President and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the plan of merger or the transactions contemplated thereby, passed upon the merits or fairness of the plan of merger and the transactions contemplated thereby, or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated [ ], 2013 and is first being mailed to shareholders on or about [ ], 2013.

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
to be held on December [10], 2013

One Flowerfield, Suite 24
Saint James, New York 11780

NOTICE IS HEREBY GIVEN, pursuant to the by-laws, that the annual meeting of shareholders (the "annual meeting") of Gyrodyne Company of America, Inc. (the "Company" or "Gyrodyne") will be held at Flowerfield Celebrations, Mills Pond Road, Saint James, New York 11780, on December [10], 2013, at 11:00 a.m., Eastern Time.

At the annual meeting, shareholders will be asked to consider and vote upon the following proposals and to transact such other business as may properly come before the annual meeting or any adjournment thereof:

Proposal 1 —

- to authorize a proposed plan of merger and the transactions contemplated thereby (the "Plan of Merger") under the New York Business Corporation Law, including the merger of the Company into Gyrodyne, LLC;

Proposal 2 —

- to elect two (2) directors to a three-year term of office, and until their successors shall be duly elected and qualified;

Proposal 3 —

- to approve, on a non-binding advisory basis, the compensation of the Company's named executive officers, as disclosed in this proxy statement;

Proposal 4 —

- to determine, by a non-binding advisory vote, the frequency of future advisory votes on the compensation of the Company's named executive officers;

Proposal 5 —

- to approve, by a non-binding, advisory vote, certain compensation arrangements for certain executive officers that will be triggered by the merger; and

Proposal 6 —

- to ratify the engagement of Baker Tilly Virchow Krause, LLP (successor to Holtz Rubenstein Reminick LLP) as independent accountants of the Company and its subsidiaries for the 2013 fiscal year.

Our board of directors unanimously recommends that you vote "FOR" each of proposals 1 – 3 and 5 – 6, and "three years" proposal 4.

Each of the proposals is described more fully in the proxy statement/prospectus accompanying this notice, which you are urged to read carefully. In particular, see sections titled "Risk Factors" and "Federal Income Tax Considerations" of this proxy/prospectus.

Our board of directors has fixed the close of business on October 28, 2013 as the record date for determining shareholders entitled to receive notice of, and to vote at, the annual meeting or any adjournment or postponement thereof. In addition to this notice, enclosed in this mailing are the proxy statement/prospectus, proxy card, annual report and attendance registration form.

To obtain an admittance card for the annual meeting, please complete the enclosed attendance registration form and return it with your proxy card. If your shares are held by a bank or broker, you may obtain an admittance card by returning the attendance registration form your bank or broker forwarded to you. If you do not receive an attendance registration form, you may obtain an admittance card by sending a written request, accompanied by proof of share ownership, to the undersigned. For your convenience, we recommend that you bring your admittance card to the annual meeting so you can avoid registration and proceed directly to the annual meeting. However, if you do not have an admittance card by the time of the annual meeting, please bring proof of share ownership to the registration area where our staff will assist you.

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YOUR VOTE IS IMPORTANT

The transactions contemplated by THE PLAN OF MERGER cannot be completed unless shareholders of at least two-thirds of all outstanding shares of Gyrodyne common stock ENTITLED TO VOTE THEREON vote in favor of proposal 1. if you abstain from voting, your abstention will have the same effect as a “no” vote for purposes of determining whether approval of proposal 1 has been obtained. ACCORDINGLY, WHETHER OR NOT YOU PLAN TO ATTEND THE annual MEETING, YOU ARE URGED TO SIGN, DATE AND PROMPTLY RETURN THE PROXY CARD IN THE ENCLOSED ENVELOPE. GIVING YOUR PROXY WILL NOT AFFECT YOUR RIGHT TO VOTE IN PERSON IF YOU ATTEND THE ANNUAL MEETING, BUT WILL HELP ASSURE A QUORUM AND AVOID FURTHER PROXY SOLICITATION COSTS. ATTENDANCE AT THE ANNUAL MEETING IS LIMITED TO SHAREHOLDERS, THEIR PROXIES AND INVITED GUESTS OF THE COMPANY. FOR IDENTIFICATION PURPOSES, “STREET NAME” SHAREHOLDERS WILL NEED TO BRING A COPY OF A BROKERAGE STATEMENT REFLECTING STOCK OWNERSHIP AS OF THE RECORD DATE.

By Order of the Board of Directors,

Peter Pitsiokos

Corporate Secretary

[-], 2013

In addition to delivering the proxy materials for the Annual Meeting to shareholders by mail, this proxy statement/prospectus also is available at http://www.gyrodyne.com/proxy.php

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SUMMARY TERM SHEET

This Summary Term Sheet, together with the following section entitled "Questions and Answers," highlights selected information from this proxy statement/prospectus and does not contain all of the information that may be important to you. You should read carefully the entire proxy statement/prospectus and the additional documents referred to in this proxy statement/prospectus for a more complete understanding of the matters being considered at the annual meeting. This summary includes references to other parts of this proxy statement/prospectus to direct you to a more complete description of the topics presented in this summary. In this proxy statement/prospectus, "we," "us," "our," "Gyrodyne" and the "Company" refer to Gyrodyne Company of America, Inc., "Gyrodyne, LLC" refers to Gyrodyne, LLC and "GSD" refers to Gyrodyne Special Distribution, LLC. This proxy statement/prospectus is dated [•], 2013 and is first being mailed to shareholders on or about [•], 2013.

Gyrodyne Company of America, Inc. (see page •)

Gyrodyne, a self-managed and self-administered real estate investment trust ("REIT") formed under the laws of the State of New York, manages a diversified portfolio of real estate properties comprising office, industrial and service-oriented properties primarily in the New York metropolitan area. Gyrodyne owns a 68 acre site approximately 50 miles east of New York City on the north shore of Long Island, which includes industrial and office buildings and undeveloped property that is the subject of development plans. Gyrodyne also owns medical office buildings in Port Jefferson Station, New York, Cortlandt Manor, New York and Fairfax, Virginia. Gyrodyne is also a limited partner in the Callery Judge Grove, L.P. (the "Grove"). Gyrodyne's common stock, par value $1.00 per share ("Common Stock"), is traded on the NASDAQ Capital Market ("NASDAQ") under the symbol "GYRO." Gyrodyne's principal executive offices are located at One Flowerfield, Suite 24, Saint James, New York 11780 and its telephone number is (631) 584-5400.

Gyrodyne, LLC (see page •)

Gyrodyne, LLC, a New York limited liability company and direct wholly-owned subsidiary of Gyrodyne, was formed on October 3, 2013 solely in connection with the transactions contemplated by the Plan of Liquidation and the Plan of Merger (each as described below). Gyrodyne, LLC has not commenced any operations, has only nominal assets solely related to its entry into the Plan of Merger and has no liabilities or contingent liabilities, nor any outstanding commitments, other than as set forth in the Plan of Merger. Gyrodyne, LLC's principal executive offices are located at One Flowerfield, Suite 24, Saint James, New York 11780 and its telephone number is (631) 584-5400.

Gyrodyne Special Distribution, LLC (see page •)

Gyrodyne Special Distribution, LLC, a New York limited liability company and direct wholly-owned subsidiary of Gyrodyne, was formed on October 15, 2013 solely in connection with the transactions contemplated by the Plan of Liquidation and the Plan of Merger. GSD has not commenced any operations, has only nominal assets solely related to its entry into the Plan of Merger and has no liabilities or contingent liabilities, nor any outstanding commitments, other than as set forth in the Plan of Merger. As part of an internal restructuring, we expect to contribute all of Gyrodyne's real estate assets to GSD prior to the consummation of the transactions contemplated by the Plan of Liquidation and the Plan of Merger. GSD's principal executive offices are located at One Flowerfield, Suite 24, Saint James, New York 11780 and its telephone number is (631) 584-5400.

The annual meeting (see page •)

Date, Time and Place

The annual meeting will be held at Flowerfield Celebrations, Mills Pond Road, Saint James, New York 11780 on December [10], 2013, at 11:00 a.m., Eastern Time.

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Purpose

At the annual meeting, shareholders will be asked to consider and vote upon the following proposals and to transact such other business as may properly come before the annual meeting or any adjournment thereof:

Proposal 1 —

- to authorize a proposed plan of merger and the transactions contemplated thereby (the "Plan of Merger") under the New York Business Corporation Law, including the merger of the Company into Gyrodyne, LLC;

Proposal 2 —

- to elect two (2) directors to a three-year term of office, and until their successors shall be duly elected and qualified;

Proposal 3 —

- to approve, on a non-binding advisory basis, the compensation of the Company's named executive officers, as disclosed in this proxy statement/prospectus;

Proposal 4 —

- to determine, by a non-binding advisory vote, the frequency of future advisory votes on the compensation of the Company's named executive officers;

Proposal 5 —

- to approve, by a non-binding, advisory vote, certain compensation arrangements for certain executive officers that will be realized by the Tax Liquidation (as described below); and

Proposal 6 —

- to ratify the engagement of Baker Tilly Virchow Krause, LLP (successor to Holtz Rubenstein Reminick LLP, "Baker Tilly") as independent accountants of the Company and its subsidiaries for the 2013 fiscal year.

Record Date; Stock Entitled to Vote; Quorum

All shareholders who hold shares of Common Stock of record at the close of business on October 28, 2013 (the "record date") are entitled to notice of and to vote at the annual meeting. Each share of Common Stock issued and outstanding on the record date is entitled to one vote at the annual meeting on each proposal presented. Shareholders do not have cumulative voting rights. A quorum will be present at the annual meeting if a majority of the outstanding Common Stock entitled to vote at the annual meeting are represented in person or by proxy.

On the record date, 1,482,680 shares of Common Stock were issued and outstanding and held by 1,597 holders of record. This proxy statement/prospectus and the enclosed proxy card were mailed starting on or about [•], 2013.

Votes Required

Proposal 1. An affirmative vote of the holders of at least two-thirds of all outstanding shares of Common Stock entitled to vote thereon is required to authorize Proposal 1. If you abstain from voting, your abstention will have the same effect as an "Against" vote for purposes of determining whether approval of Proposal 1 has been obtained. In such cases, broker non-votes also will have the same effect as an "Against" vote.

Proposal 2. A plurality of the votes cast by the holders of shares of Common Stock entitled to vote thereon is required for the election of each director in Proposal 2, meaning that the two individuals receiving the most votes will be elected. A majority vote is not required.

Proposal 3. An affirmative vote of the holders of a majority of shares of Common Stock either present in person or represented by proxy and entitled to vote thereon is required to approve Proposal 3. Abstentions and broker non-votes will have no effect.

Proposal 4. A plurality of the votes cast by the holders of shares of Common Stock either present in person or represented by proxy and entitled to vote thereon is required to approve Proposal 4.

Proposal 5. An affirmative vote of the holders of a majority of shares of Common Stock either present in person or represented by proxy and entitled to vote thereon is required to approve Proposal 5. Abstentions and broker non-votes will have no effect.

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Proposal 6. Proposal 6 will be decided by a majority of the votes cast in favor of or against the proposal by the holders of shares of Common Stock entitled to vote thereon. A shareholder who abstains from voting on Proposal 6 will be included in the number of shareholders present at the annual meeting for the purpose of determining the presence of a quorum. Abstentions will not be counted, however, either in favor of or against Proposal 6.

Proxies

Except for certain items for which brokers are prohibited from exercising their discretion, a broker who holds shares in "street name" has the authority to vote on routine items when it has not received instructions from the beneficial owner. Where brokers do not have or do not exercise such discretion, the inability or failure to vote is referred to as a "broker non-vote." If the broker returns a properly executed proxy, the shares are counted as present for quorum purposes. If the broker crosses out, does not vote with respect to, or is prohibited from exercising its discretion, resulting in a broker non-vote, the effect of the broker non-vote on the result of the vote depends upon whether the vote required for that proposal is based upon a proportion of the votes cast (no effect) or a proportion of the votes entitled to be cast (effect of a vote against). If the broker returns a properly executed proxy, but does not vote or abstain with respect to a proposal and does not cross out the proposal, the proxy will be voted "FOR" all of the proposals and in the proxy holder's discretion with respect to any other matter that may come before the meeting or any adjournments or postponements thereof. Approval of Proposal 1 is a matter for which brokers are prohibited from exercising their discretion. Therefore, shareholders will need to provide brokers with specific instructions on whether to vote in the affirmative for or against Proposal 1.

Background; The Tax Liquidation (see page •)

Adoption of the Plan of Liquidation

Further to the Company's previously stated goal of providing one or more tax efficient liquidity events to its shareholders and taking into account, among other factors, the Company's receipt of a private letter ruling from the Internal Revenue Service (the "PLR") (as described below), our board of directors concluded that it is in the best interests of Gyrodyne and its shareholders to liquidate the Company for federal income tax purposes. See "Background; The Tax Liquidation — The Special Dividend." On that basis, on September 12, 2013, our board of directors adopted a Plan of Liquidation and Dissolution (the "Plan of Liquidation"), pursuant to which we intend to dispose of our remaining assets in an orderly manner designed to obtain the best reasonably available value for such assets and to complete the liquidation of the Company for federal income tax purposes within the two year period from the adoption of the Plan of Liquidation, as provided by Section 562(b)(1)(B) of the Internal Revenue Code of 1986, as amended (the "Code"). In this proxy statement/prospectus, we refer to such liquidation as the "Tax Liquidation."

The Special Dividend (see page •)

On September 13, 2013, our board of directors declared a special dividend in the amount of $98,685,000, or $66.56 per Gyrodyne share, of which approximately $68,000,000, or $45.86 per share, will be paid in cash. In this proxy statement/prospectus, we refer to such dividend as the "Special Dividend." The balance of the Special Dividend will be payable in the form of cash proceeds from any further asset dispositions effected prior to payment of the dividend, notes payable by Gyrodyne (which we refer to as "Dividend Notes"), interests in GSD or any other limited liability company to which Gyrodyne may transfer its remaining assets (or into which it may merge), or a combination of such forms at the discretion of our board of directors. On October 9, 2013, our board of directors determined that, if a merger into Gyrodyne, LLC is not completed by December 31, 2013, it intends that a significant component of the non-cash portion of the Special Dividend will be paid in nontransferable interests in GSD currently anticipated to constitute approximately two-thirds of the equity interest in GSD.

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The Special Dividend was facilitated by our receipt of the PLR from the Internal Revenue Service. The PLR permits us to distribute, by means of the Special Dividend, the gains realized from our receipt of additional damages in July 2012 (the "2012 Proceeds") in connection with judgments in our favor in condemnation litigation with the State of New York regarding 245.5 acres of our Flowerfield property in St. James and Stony Brook, New York. We will be subject to a 4% excise tax on the 2012 Proceeds, but will not incur a REIT-level 35% capital gains tax.

The dividend is payable on December 30, 2013 to shareholders of record as of November 1, 2013. We will announce the final form of the non-cash portion of the Special Dividend on or prior to December 27, 2013. As required by NASDAQ rules governing special dividends of this magnitude, the ex-dividend date will be set one business day following the payment date. Payment of the Special Dividend is NOT conditioned on the approval of the proposal to authorize the Plan of Merger. However, failure to complete the Tax Liquidation of Gyrodyne by the second anniversary of the adoption date of the Plan of Liquidation will impact the tax characteristics of the Special Dividend to the recipients. See "Federal Income Tax Considerations."

Solvency Opinion

In connection with the Special Dividend, our board of directors requested the opinion of Valuation Research Corporation ("Valuation Research") as to the solvency of Gyrodyne after giving effect to the Special Dividend. On September 13, 2013, at a meeting of our board of directors, Valuation Research delivered its opinion that, immediately after the completion of the Special Dividend, (i) each of our fair value and the present fair saleable value of our aggregate assets exceeds the sum of our total liabilities (including, without limitation, the stated liabilities, the identified contingent liabilities and the Dividend Notes (assuming they are issued)); (ii) we will be able to pay our debts (including our respective stated liabilities, identified contingent liabilities and the Dividend Notes (assuming they are issued)), as such debts mature or otherwise become absolute or due; and (iii) we do not have unreasonably small capital.

The Plan of Merger (see page •)

Adoption of the Plan of Merger

In connection with the adoption of the Plan of Liquidation, our board of directors has approved and recommends that you approve the proposal to authorize the Plan of Merger and the transactions contemplated thereby. The Plan of Merger is designed to facilitate the Tax Liquidation. Following the merger, if implemented, it is the current intent of the board that the company would operate with a business plan to dispose of its current real property assets in an orderly manner designed to obtain the best value reasonably available for such assets. If approved, each of Gyrodyne and GSD would be merged with and into Gyrodyne, LLC, which would be the surviving entity in the merger. Gyrodyne, LLC is intended to be a pass-through entity for federal income tax purposes and the common shares representing limited liability company interests in Gyrodyne, LLC ("Gyrodyne, LLC Shares") are intended to become publicly traded on NASDAQ under the symbol "GYRO" if the merger is effected as a result of the transactions described in this proxy statement/prospectus. No assurance can be given that NASDAQ will permit trading of Gyrodyne, LLC Shares. The terms of the merger are set forth in the Plan of Merger attached as Annex C to this proxy statement/prospectus.

At the annual meeting, shareholders are being asked to vote "FOR" Proposal 1 to authorize the Plan of Merger. However, even if our shareholders approve the proposal to authorize the Plan of Merger, our board of directors has reserved the right, in its discretion, to abandon or delay implementation of the merger and any other transaction contemplated by the Plan of Merger, in order, for example, to permit us to pursue new strategic opportunities.

Effect of Authorization of the Plan of Merger

If our shareholders approve the proposal to authorize the Plan of Merger and the transactions contemplated thereby, our board of directors will have the power to effect the Tax Liquidation by consummating the merger. Our board of directors would determine whether to consummate the merger exercising its best judgment based on circumstances existing at the time the merger is susceptible of being

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consummated, and could determine not to consummate the merger if it determined that a more favorable alternative to Gyrodyne and its shareholders then existed. Pursuant to the terms of the Plan of Merger and in accordance with New York law, each of Gyrodyne and GSD will be merged with and into Gyrodyne, LLC, whereupon the separate corporate existence of each of Gyrodyne and GSD will cease and Gyrodyne, LLC will be the surviving entity of the merger. Upon the effectiveness of the merger, each share of Common Stock will be converted into such number of validly issued common shares of Gyrodyne, LLC as shall be determined by the Board of Directors of Gyrodyne and announced at least ten days prior to the annual meeting and each common share of GSD will be converted into such number of validly issued common shares of Gyrodyne, LLC as shall be determined by the Board of Directors of Gyrodyne and announced at least ten days prior to the annual meeting, whereupon holders of such shares automatically will be admitted to Gyrodyne, LLC as members. Further, at the effective time of the merger, Gyrodyne, LLC will assume each of the liabilities and obligations of each of Gyrodyne and GSD, including Gyrodyne's Incentive Compensation Plan.

Pursuant to the Plan of Merger, each certificate (or evidence of shares in book-entry form) representing shares of Common Stock or GSD Shares will be deemed for all purposes to represent the number of Gyrodyne, LLC Shares into which the Common Stock or GSD Shares represented by such certificate is converted in the merger, and such shares of Common Stock or GSD Shares will be converted in the merger, without any action on the part of shareholders.

Effect on Gyrodyne and Gyrodyne Shareholders if the Plan of Merger is Not Authorized (see page •)

If our shareholders do not approve the proposal to authorize the Plan of Merger and the transactions contemplated thereby, we will continue our business operations as a self-managed and self-administered REIT. In light of our announced intent to liquidate and the impact of the Special Dividend, prospective employees, suppliers, tenants and other third parties may be less likely to form relationships or conduct business with us if they do not believe we will continue to operate as a going concern.

In addition, because the payment of the Special Dividend is not conditioned upon authorization or consummation of the merger, if shareholders receive GSD Shares in connection with the payment thereof, our shareholders would be required to hold such GSD Shares for an indefinite period of time pending implementation of an alternative transaction, if any, or the liquidation of GSD. For a description of the tax consequences of such scenario, see "Federal Income Tax Considerations — If the Plan of Merger is Not Authorized."

Plan for Gyrodyne, LLC Subsequent to the Merger

Although consummation of the merger will complete the Tax Liquidation, our board of directors currently intends that, following the merger, Gyrodyne, LLC will operate with a business plan to dispose of its current real property assets in an orderly manner designed to obtain the best value reasonably available for such assets. Proceeds of such dispositions will be used to settle any claims, pending or otherwise, against Gyrodyne and to make distributions to holders of Gyrodyne, LLC Shares. When all properties of Gyrodyne, LLC are disposed of, it is intended Gyrodyne, LLC will dissolve and a final distribution will be made.

Our board of directors is, however, currently unable to predict the precise nature, amount or timing of such distributions, other than the Special Dividend. The actual nature, amount and timing of all distributions will be determined by Gyrodyne, LLC's board of directors, in its sole discretion, and will depend in part upon our ability to convert our remaining assets into cash and pay and settle our remaining liabilities and obligations.

Conditions to Completion of the Merger

In addition to approval of Proposal 1 by the holders of shares of Common Stock in accordance with Section 903(a)(2)(A)(ii) of the New York Business Corporation Law, the completion of the Plan of Merger is subject to satisfaction or, if not prohibited by law, waiver of the following conditions:

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- approval for listing on NASDAQ of Gyrodyne, LLC Shares, subject to official notice of issuance;

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- the effectiveness of the registration statement, of which this proxy statement is a part, without the issuance of a stop order or initiation of any proceeding seeking a stop order by the U.S. Securities and Exchange Commission (the "SEC");

- no governmental authority shall have enacted, issued, promulgated, enforced or entered into law (whether temporary, preliminary or permanent) that is then in effect and that enjoins, restrains, conditions, makes illegal or otherwise prohibits the consummation of the transactions contemplated by the Plan of Merger;

- all necessary material consents, waivers, approvals, authorizations or orders required to be obtained, and the making of all material filings required to be made, by any party hereto for the authorization, execution and delivery, and performance of the Plan of Merger, and the consummation by Gyrodyne, GSD and Gyrodyne, LLC of the merger, shall have been obtained or made; and

- holders of fewer than 5% of the outstanding shares of Common Stock shall have perfected their statutory appraisal rights to obtain the "fair value" of their shares of Common Stock.

Termination of the Plan of Merger

We may terminate the Plan of Merger at any time prior to consummation of the merger, even if our shareholders approve the proposal to authorize a merger pursuant to the Plan of Merger and the other conditions to the completion of the merger are satisfied or, if not prohibited by law, waived, or if our board of directors determines that, for any reason, the completion of the merger would be inadvisable or not in the best interests of Gyrodyne or its shareholders.

Amended and Restated Limited Liability Company Agreement of Gyrodyne, LLC

Following completion of the merger, your rights as a holder of Gyrodyne, LLC Shares will be governed by the amended and restated limited liability company agreement of Gyrodyne, LLC (which will be effective immediately prior to or concurrently with the consummation of the merger) (the "Amended and Restated Limited Liability Company Agreement"). The articles of organization of Gyrodyne, LLC (the "Articles of Organization"), as in effect immediately prior to the consummation of the merger, will be the Articles of Organization after the consummation of the merger.

After the merger, it is anticipated that Gyrodyne, LLC will be managed by a board of directors with the same members as our board of directors, and have the same officers and management personnel as that of Gyrodyne prior to the merger. Further, it is anticipated that the board of directors will form the same committees with identical members and substantially similar governing charters as those of Gyrodyne prior to the merger. See "Proposal 1 — The Plan of Merger — Amended and Restated Limited Liability Company Agreement of Gyrodyne, LLC."

Comparison of Rights of Gyrodyne Shareholders and Holders of Gyrodyne's LLC Shares

Although, as a result of the merger, Gyrodyne shareholders will (i) own Gyrodyne, LLC Shares and be subject to the governing documents of Gyrodyne, LLC and (ii) be governed by the New York Limited Liability Company Law, Gyrodyne, LLC's organizational documents and the rights of holders of Gyrodyne, LLC Shares will be substantially similar in all material respects to Gyrodyne's organizational documents and Gyrodyne shareholders' rights prior to the merger, other than the differences noted in "Comparison of Rights of Holders of Common Stock and Holders of Gyrodyne, LLC Shares," including, among others, the differences incident to holding limited liability company interests instead of corporate stock. See "Proposal 1 — The Plan of Merger — Comparison of Rights of Gyrodyne

Shareholders and Holders of Gyrodyne, LLC's Shares."

Comparison of Rights of Holders of GSD Shares and Holders of Gyrodyne's LLC Shares

Although, as a result of the merger, holders of GSD Shares will own Gyrodyne, LLC Shares and be subject to the governing documents of Gyrodyne, LLC. Gyrodyne, LLC's organizational documents and the rights of holders of Gyrodyne, LLC Shares will still be governed by the New York Limited Liability Company

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Law. Prior to merger GSD will be managed by Gyrodyne and GSD Shares may not be assigned or transferred, voluntarily or involuntarily, and will not be listed on any exchange. See "Proposal 1 — The Plan of Merger — Comparison Rights of Holders of GSD Shares and Holders of Gyrodyne, LLC's Shares."

Recommendations of Our Board of Directors; Reasons for the Plan of Liquidation and the Plan of Merger

Board of Directors' Recommendations (see page •)

Our board of directors unanimously approved and declared advisable the Plan of Merger and the transactions contemplated thereby. Our board of directors recommends that Gyrodyne shareholders vote "FOR" the proposal to authorize the Plan of Merger and the transactions contemplated thereby. See "Proposal 1 — The Plan of Merger — Recommendation of our Board of Directors; Reasons for the Plan of Merger."

In addition, our board of directors unanimously recommends that Gyrodyne shareholders vote "FOR" the proposals to elect two (2) directors and ratify the appointment of independent accountants and "FOR" the advisory approval of executive compensation, "FOR" every three (3) years on the advisory determination on the frequency of the advisory vote on executive compensation, "FOR" the advisory approval of certain compensation arrangements for certain executive officers that will be triggered by the Tax Liquidation.

Reasons for the Plan of Liquidation and the Plan of Merger

For a discussion of the material factors considered by our board of directors in reaching their conclusions and the reasons why our board of directors unanimously determined that the Plan of Liquidation, the Plan of Merger and transactions contemplated thereby, including the utilization of the merger to accomplish the Tax Liquidation, may be in the best interests of the Company and its shareholders, see "Proposal 1 — The Plan of Merger — Recommendation of ou Board of Directors; Reasons for the Plan of Merger."

Interests of the Company's Directors and Executive Officers (see page •)

In considering the recommendation of our board of directors in favor of the proposal to authorize the Plan of Merger and the transactions contemplated thereby, you should be aware that consummation of the transactions contemplated thereby will result in the payment of certain pre-existing benefits to our directors and executive officers. See "Background; The Tax Liquidation — Interests of Our Directors and Executive Officers."

Statutory Appraisal Rights

Pursuant to Section 910 of the New York Business Corporation Law, holders of our Common Stock have statutory appraisal rights, which may entitle them to receive the "fair value" of their shares if they dissent from Proposal 1. In order to properly exercise dissenters' rights, dissenting shareholders will be required to follow the procedure outlined in "Proposal 1 — The Plan of Merger — Statutory Appraisal Rights to Transactions Contemplated by the Plan of Merger" a "Statutory Appraisal Rights to Transactions Contemplated by Proposal 1."

Federal Income Tax Considerations (see page •)

Pursuant to the receipt of the PLR, we have designated the Special Dividend as a dividend paid with respect to our taxable year ending December 31, 2012, and have paid an approximately 4% excise tax on this amount.

If Proposal 1 to authorize the Plan of Merger and the transactions contemplated thereby is approved, the Special Dividend, and any additional distributions of cash, Dividend Notes or interests in GSD (or other limited liability company) will generally be treated as a tax-free reduction of a shareholder's basis in its shares, with any distributions in excess of such shareholder's basis constituting a capital gain. If the Plan of Merger is not authorized, the Special Dividend will generally be treated as a capital gain dividend to shareholders. Certain foreign shareholders are subject to additional rules.

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For more information, see “Federal Income Tax Considerations.”

Accounting Treatment of the merger (see page •)

For accounting purposes, we expect that the merger will be treated as a transaction between entities under common control. The accounting basis used to record the consolidated assets and liabilities of Gyrodyne, LLC will be the liquidation value of Gyrodyne’s assets and liabilities in accordance with the liquidation basis of accounting.

Regulatory Matters (see page •)

No state or federal regulatory approval is required in connection with the Plan of Liquidation or the Plan of Merger.

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QUESTIONS AND ANSWERS

The following questions and answers are intended to address briefly some commonly asked questions regarding the annual meeting, the Plan of Liquidation and the Plan of Merger. These questions and answers may not address all questions that may be important to you as a Gyrodyne shareholder. Please refer to the "Summary Term Sheet" preceding this section and the more detailed information contained elsewhere in this proxy statement/prospectus, the annexes to this proxy statement/prospectus and the documents referred to in this proxy statement/prospectus, all of which you should read carefully.

Q:

- Why am I receiving these materials?

A:

- Our board of directors is furnishing this proxy statement/prospectus and form of proxy card to Gyrodyne shareholders in connection with the solicitation of proxies to be voted at the 2013 annual meeting of shareholders or at any adjournments or postponements of the annual meeting.

Q:

- When and where is the annual meeting?

A:

- The annual meeting will be held at Flowerfield Celebrations, Mills Pond Road, Saint James, New York 11780 on December [10], 2013, at 11:00 a.m., Eastern Time.

Q:

- Who is entitled to vote at the annual meeting?

A:

- Only holders of record of shares of Common Stock at the close of business on the record date, October 28, 2013, are entitled to notice of and to vote at the annual meeting. Each share of Common Stock issued and outstanding on the record date is entitled to one vote at the annual meeting on each proposal presented. On the record date, 1,482,680 shares of Common Stock were issued and outstanding and held by 1,597 holders of record.

Q:

- May I attend the annual meeting and vote in person?

A:

- Yes. All shareholders as of the record date may attend the annual meeting and vote in person. Seating will be limited. To obtain an admittance card for the annual meeting, please complete the enclosed attendance registration form and return it with your proxy card. If your shares are held in "street name" by a bank or broker, you may obtain an admittance card by returning the attendance registration form your bank or broker forwarded to you. If you do not receive an attendance registration form, you may obtain an admittance card by sending a written request, accompanied by proof of share ownership, to the undersigned. For your

convenience, we recommend that you bring your admittance card to the annual meeting so you can avoid registration and proceed directly to the annual meeting. However, if you do not have an admittance card by the time of the annual meeting, please bring proof of share ownership to the registration area where our staff will assist you.

Your vote is very important to us and it is important that your shares be represented at the annual meeting. The Plan of Merger and the transactions contemplated thereby cannot be completed unless at least two-thirds of all outstanding shares of Common Stock entitled to vote thereon vote in favor of such proposal. Even if you plan to attend the annual meeting in person, we encourage you to promptly vote your shares by proxy by following the instructions beginning on page [-] of this proxy statement/prospectus to ensure that your shares will be represented at the annual meeting. If you attend the annual meeting and vote in person, your vote by ballot will revoke any proxy previously submitted. If you hold your shares in “street name,” because you are not the shareholder of record, you may not vote your shares in person at the annual meeting unless you request and obtain a valid proxy from your bank, broker or other nominee.

Q:

- What am I being asked to vote on at the annual meeting?

A:

- At the annual meeting, shareholders will be asked to consider and vote upon the following proposals and to transact such other business as may properly come before the annual meeting or any adjournment thereof:

Proposal 1 —

- to authorize the Plan of Merger under the New York Business Corporation Law, including the merger of the Company into Gyrodyne, LLC;

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Proposal 2 —

- to elect two (2) directors to a three-year term of office, and until their successors shall be duly elected and qualified;

Proposal 3 —

- to approve, on a non-binding advisory basis, the compensation of the Company's named executive officers, as disclosed in this proxy statement/prospectus;

Proposal 4 —

- to determine, by a non-binding advisory vote, the frequency of future advisory votes on the compensation of the Company's named executive officers;

Proposal 5 —

- to approve, by a non-binding, advisory vote, certain compensation arrangements for certain executive officers that will be realized by the Tax Liquidation; and

Proposal 6 —

- to ratify the engagement of Baker Tilly as independent accountants of the Company and its subsidiaries for the 2013 fiscal year.

Q:

- What vote is required to approve the Proposals?

A:

- The authorization of the Plan of Merger and the transactions contemplated thereby requires the presence of a quorum and the affirmative vote of at least two-thirds of all outstanding shares of Common Stock entitled to vote thereon. If you abstain from voting, your abstention will have the same effect as an "Against" vote for purposes of determining whether authorization of the Plan of Merger has been obtained. In such cases, broker non-votes also will have the same effect as an "Against" vote.

Directors shall be elected by a plurality of the votes cast by the holders of shares entitled to vote in the election, meaning that the two individuals receiving the most votes will be elected. A majority vote is not required.

The proposal to ratify the appointment of independent accountants will be decided by a majority of the votes cast in favor of or against the proposal by the holders of shares entitled to vote. A shareholder who abstains from voting on the proposal to ratify the appointment of independent accountants will be included in the number of shareholders present at the annual meeting for the purpose of determining the presence of a quorum. Abstentions will not be counted, however, either in favor of or against the proposal to ratify the appointment of independent accountants.

Q:

- What is the Plan of Liquidation and what effects will it have on Gyrodyne?

A:

- Our board of directors adopted the Plan of Liquidation, pursuant to which we intend to dispose of our remaining assets in an orderly manner designed to obtain the best reasonably available value for such assets and to complete the Tax Liquidation of the Company within the two year period from the adoption of the Plan of Liquidation, as provided by Section 562(b)(1)(B) of the Code. At the annual meeting, shareholders are being asked to approve Proposal 1 to authorize the Plan of Merger, which, if approved, would permit Gyrodyne to accomplish the Tax Liquidation by effecting the merger. However, even if the merger pursuant to the Plan of Merger is authorized by our shareholders, our board of directors has reserved the right, in its discretion, to abandon or delay implementation of the transactions contemplated by the Plan of Merger, in order, for example, to permit us to pursue new strategic opportunities.

Q:

- Do you have agreements to sell your assets?

A:

- As of the date of this proxy statement/prospectus, we have not entered into any binding agreements to sell our interests in any of our remaining assets.

Q:

- Is the Special Dividend conditioned upon the Plan of Merger being authorized?

A:

- No. The Special Dividend is not conditioned upon the Plan of Merger being authorized. Regardless of whether our shareholders approve the proposal to authorize the Plan of Merger and the transactions contemplated thereby, we intend to pay the Special Dividend on December 30, 2013 to shareholders of record as of November 1, 2013. On October 9, 2013, our board of directors determined that, if a merger into Gyrodyne, LLC is not completed by December 31, 2013, it intends that a significant component of the non-cash portion of the Special Dividend will be paid in nontransferable interests in GSD currently anticipated to constitute approximately two-thirds of the equity interest in GSD.

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However, the determination by our board of directors as to the final form of the balance of the Special Dividend, which we will announce on or prior to December 27, 2013, and the tax consequences to the shareholders of the Special Dividend may be impacted by whether or not the proposal to authorize the Plan of Merger is approved.

Q:

- What happens if the Plan of Merger is not authorized?

A:

- If our shareholders do not approve the proposal to authorize the Plan of Merger and the transactions contemplated thereby, we will continue our business operations as a self-managed and self-administered REIT. In light of our announced intent to liquidate and the impact of the Special Dividend, prospective employees, suppliers, tenants and other third parties may be less likely to form relationships or conduct business with us if they do not believe we will continue to operate as a going concern. In addition, the tax consequences to shareholders of the Special Dividend may be impacted.

In addition, because the payment of the Special Dividend is not conditioned upon authorization or consummation of the merger, if shareholders receive GSD Shares in connection with the payment thereof, our shareholders would be required to hold such GSD Shares for an indefinite period of time pending implementation of an alternative transaction, if any, or the liquidation of GSD.

Q:

- Can the Plan of Liquidation be amended or abandoned?

A:

- Yes. Even if the shareholders approve the proposal to authorize the Plan of Merger, our board of directors may amend or abandon the Plan of Liquidation if it determines such action is in the best interest of the Company or the shareholders.

Q:

- What is the Plan of Merger and what effects will it have on Gyrodyne?

A:

- Pursuant to the terms of the Plan of Merger and in accordance with New York law, each of Gyrodyne and GSD will be merged with and into Gyrodyne, LLC, whereupon the separate corporate existence of each of Gyrodyne and GSD will cease and Gyrodyne, LLC will be the surviving entity of the merger. Upon the effectiveness of the merger, each share of Common Stock will be converted into such number of validly issued common shares of Gyrodyne, LLC as shall be determined by the Board of Directors of Gyrodyne and announced at least ten days prior to the annual meeting and each common share of GSD will be converted into such number of validly issued common shares of Gyrodyne, LLC as shall be determined by the Board of Directors of Gyrodyne and announced at least ten days prior to the annual meeting, whereupon holders of such shares automatically will be admitted to Gyrodyne, LLC as members. Further, at the effective time of the merger, Gyrodyne, LLC will assume each of the liabilities and obligations of each of Gyrodyne and GSD, including Gyrodyne’s Incentive Compensation Plan.

Q:

- Can the Plan of Merger be amended or abandoned?

A:

- Even if the Plan of Merger, including the merger, is authorized by our shareholders, our board of directors has reserved the right, in its discretion, to abandon or delay implementation of the transactions contemplated by the Plan of Merger, in order, for example, to permit us to pursue new strategic opportunities.

Q:

- What are the recommendations of our board of directors?

A:

- Our board of directors unanimously approved and declared advisable the Plan of Merger. Our board of directors recommends that Gyrodyne shareholders vote “FOR” the proposal to authorize the Plan of Merger. See “Proposal 1 — The Plan of Merger — Recommendation of our Board of Directors; Reasons for the Plan of Merger.

In addition, our board of directors unanimously recommends that Gyrodyne shareholders vote “FOR” the proposals to elect two (2) directors and ratify the appointment of independent accountants and “FOR” the advisory approval of executive compensation, “FOR” every three (3) years on the advisory determination on the frequency of the advisory vote on executive compensation, “FOR” the advisory approval of certain compensation arrangements for certain executive officers that will be triggered by the Tax Liquidation.

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Q:

- Are there any interests in the liquidation that differ from my own?

A:

- Yes, some of our directors and officers have interests in the Plan of Liquidation and Plan of Merger that are different from your interests as a shareholder. In considering the recommendation of our board of directors in favor of the proposal to authorize the Plan of Merger, you should be aware that consummation of the transactions contemplated thereby will result in the payment of certain pre-existing benefits to our directors and executive officers. See “Background; The Tax Liquidation—Interests of Our Directors and Executive Officers.”

Q:

- Am I entitled to statutory appraisal or dissenters’ rights in connection with the Plan of Merger?

A:

- If the Plan of Merger is authorized and implemented, holders of shares of Common Stock who did not vote in favor of the proposal to authorize the Plan of Merger and who timely dissent and follow precisely the procedures in Sections 623 and 910 of the New York Business Corporation Law (see Annex E to this proxy statement/prospectus) will have certain rights to demand payment for the “fair value” of their shares of Common Stock. If Gyrodyne fails to make a timely offer to a dissenting shareholder or the dissenting shareholder and Gyrodyne cannot agree on the “fair value” within the statutory period, and if Gyrodyne fails to institute a judicial proceeding to fix “fair value” within the statutory period, any dissenting shareholders may seek judicial determination of the “fair value” in New York State Supreme Court in the judicial district in which the headquarters of Gyrodyne is located. Holders receiving payment for their shares of Common Stock in accordance with dissenter’s rights will not also be entitled to receive Gyrodyne, LLC Shares. No appraisal or dissenters’ rights are available to holders of GSD Shares in connection with the Plan of Merger. See “Proposal 1 — The Plan of Merger — Statutory Appraisal Rights to Transactions Contemplated by the Plan of Merger” and “Statutory Appraisal Rights to Transactions Contemplated by Proposal 1.”

Q:

- How will the merger be treated for accounting purposes?

A:

- For accounting purposes, we expect that the merger will be treated as a transaction between entities under common control. The accounting basis used to record the consolidated assets and liabilities of Gyrodyne, LLC will be the liquidation value in accordance with the liquidation basis of accounting.

Q:

- What are the tax implications to shareholders of the approval of the Plan of Merger?

A:

- In general, if our shareholders approve the proposal to authorize the Plan of Merger, a shareholder will recognize, for federal income tax purposes, gain or loss equal to the difference between (i) the sum of the amount of cash and the fair market value of other property distributed to such shareholder in the Special Dividend and in any other distributions we may make pursuant to the Tax Liquidation, whether by merger or otherwise, and (ii) such shareholder's adjusted tax basis in its shares of Common Stock. Any gain will be recognized in such year(s) when the shareholder receives a distribution that, in the aggregate with all other distributions received pursuant to the Tax Liquidation, whether by merger or otherwise, is in excess of the shareholder's basis in its shares of Common Stock; loss will be recognized only in the year in which the final distribution to the shareholder is made, and only if the shareholder has not received distributions equal to the shareholder's basis in its shares of Common Stock.

For more information, see "Federal Income Tax Considerations."
WE URGE EACH SHAREHOLDER TO CONSULT WITH ITS TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF THE PLAN OF MERGER AND THE SPECIAL DIVIDEND.
Q:

- What constitutes a quorum?

A:

- If a majority of the shares outstanding on the record date are present at the annual meeting, either in person or by proxy, we will have a quorum at the meeting, permitting the conduct of business at the meeting. As of the date of this proxy statement/prospectus, we had 1,482,680 shares of Common Stock issued and outstanding and entitled to a vote.

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Q:

- What do I need to do now?

A:

- We encourage you to read carefully this proxy statement/prospectus, the annexes to this proxy statement/prospectus and the documents to which we refer in this proxy statement/prospectus, and then vote your shares of Common Stock by proxy by following the instructions beginning on page [-] of this proxy statement/prospectus to ensure that your shares will be represented at the annual meeting. If you hold your shares in "street name," please refer to the voting instruction forms provided by your bank, broker or other nominee to vote your shares.

Q:

- What is the difference between holding shares as a shareholder of record and as a beneficial owner?

A:

- If your shares are registered directly in your name with our transfer agent, Registrar and Transfer Company, you are considered, with respect to those shares, to be the "shareholder of record." In this case, this proxy statement/prospectus and your proxy card have been sent directly to you by the Company.

If your shares are held through a bank, broker or other nominee, you are considered the "beneficial owner" of the shares of Common Stock held in "street name." In that case, this proxy statement/prospectus has been forwarded to you by your bank, broker or other nominee, who is considered, with respect to those shares, to be the shareholder of record. As the beneficial owner, you have the right to direct your bank, broker or other nominee how to vote your shares by following their instructions for voting. You also are invited to attend the annual meeting; however, because you are not the shareholder of record, you may not vote your shares in person at the annual meeting unless you request and obtain a valid proxy from your bank, broker or other nominee.

Q:

- How do I vote my proxy?

A:

- Shareholders of record can vote by mail if they received a printed copy of the proxy card. Complete and return that proxy card in the reply envelope provided (which does not require postage if mailed in the U.S.). If you are a shareholder of record and you choose to vote by mail, your vote will be counted so long as it is received prior to the closing of the polls at the annual meeting, but we urge you to complete, sign, date and return the proxy card as soon as possible.

If your shares are held through a bank, broker or other nominee, this proxy statement/prospectus has been forwarded to you by your bank, broker or other nominee. In order to vote, you should direct your bank, broker or other nominee how to vote your shares by following their instructions for voting.

Q:

- If my broker holds my shares in "street name," will my broker vote my shares for me?

A:

- Except for certain items for which brokers are prohibited from exercising their discretion, a broker who holds shares in “street name” has the authority to vote on routine items when it has not received instructions from the beneficial owner. Where brokers do not have or do not exercise such discretion, the inability or failure to vote is referred to as a “broker non-vote.” If the broker returns a properly executed proxy, the shares are counted as present for quorum purposes. If the broker crosses out, does not vote with respect to, or is prohibited from exercising its discretion, resulting in a broker non-vote, the effect of the broker non-vote on the result of the vote depends upon whether the vote required for that proposal is based upon a proportion of the votes cast (no effect) or a proportion of the votes entitled to be cast (effect of a vote against). If the broker returns a properly executed proxy, but does not vote or abstain with respect to a proposal and does not cross out the proposal, the proxy will be voted “FOR” all of the proposals and in the proxy holder’s discretion with respect to any other matter that may come before the meeting or any adjournments or postponements thereof. Approval of Proposal 1 is a matter for which brokers are prohibited from exercising their discretion. Therefore, shareholders will need to provide brokers with specific instructions on whether to vote in the affirmative for or against Proposal 1.

Q:

- May I change my vote after I have mailed my signed proxy card?

A:

- Any shareholder of record may revoke or change that shareholder’s proxy at any time before the proxy is voted at the annual meeting by (1) sending a written notice of revocation of the proxy to our

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Corporate Secretary at One Flowerfield, Suite 24, Saint James, New York 11780, (2) properly delivering a subsequently dated proxy, or (3) voting in person at the annual meeting. Please note that to be effective, your new proxy card or written notice of revocation must be received by the Corporate Secretary prior to the annual meeting.

Q:

- What is a proxy?

A:

- A proxy is your legal designation of another person, referred to as a "proxy," to vote your shares of Common Stock. The written document describing the matters to be considered and voted on at the annual meeting is called a "proxy statement/prospectus." The document used to designate a proxy to vote your shares of Common Stock is called a "proxy card." Our board of directors has designated Frederick C. Braun III, Gary J. Fitlin and Peter Pitsiokos, and each of them, with full power of substitution, as proxies for the annual meeting.

Q:

- If a shareholder gives a proxy, how are the shares voted?

A:

- The individuals named on the enclosed proxy card, or your proxies, will vote your shares in the way that you indicate. When completing the proxy card, you may specify whether your shares should be voted for or against or to abstain from voting on all, some or none of the specific items of business to come before the annual meeting.

If you return a signed and dated proxy card without marking any voting selections, your shares will be voted "FOR" the Plan of Merger proposal, "FOR" the election of both nominees for director, "FOR" the advisory approval of executive compensation, "FOR" every three (3) years on the advisory determination on the frequency of the advisory vote on executive compensation, "FOR" the advisory approval of certain compensation arrangements for certain executive officers that will be triggered by the Tax Liquidation and "FOR" the ratification of the appointment of Baker Tilly as independent accountants for the fiscal year ending December 31, 2013. If any other matter is properly presented at the meeting, your proxyholder (one of the individuals named on your proxy card or his replacement) will vote your shares using his or her best judgment.

Q:

- What should I do if I receive more than one set of voting materials?

A:

- You may receive more than one set of voting materials, including multiple copies of this proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a shareholder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, date, sign and return each proxy card and voting instruction card that you receive.

Q:

- Who will count the votes?

A:

- The votes will be counted by an independent inspector of election appointed for the annual meeting.

Q:

- Who will bear the costs of soliciting votes for the meeting?

A:

- We will bear the entire cost of the solicitation of proxies from our shareholders. The Company has retained MacKenzie Partners, Inc. to assist the Company in soliciting your proxy for an estimated fee of $6,500 plus reasonable out-of-pocket expenses. MacKenzie Partners expects that approximately 25 of its employees will assist in the solicitation. MacKenzie Partners will ask brokerage houses and other custodians and nominees whether other persons are beneficial owners of shares of Common Stock. If so, the Company will reimburse banks, nominees, fiduciaries, brokers and other custodians for their costs of sending the proxy materials to the beneficial owners of shares of Common Stock.

Q:

- Where can I find the voting results of the annual meeting?

A:

- The Company intends to announce preliminary voting results at the annual meeting and publish final results in a Current Report on Form 8-K that will be filed with the SEC following the annual meeting. All reports Gyrodyne files with the SEC are publicly available when filed. See “Where Shareholders Can Find More Information.”

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Q:

- When do you expect the Plan of Liquidation or the Plan of Merger to be effected?

A:

- Pursuant to the Plan of Liquidation, we intend to dispose of our remaining assets in an orderly manner designed to obtain the best reasonably available value for such assets and to complete the Tax Liquidation of the Company within the two year period from the adoption of the Plan of Liquidation, as provided by Section 562(b)(1)(B) of the Code. Even if the Plan of Merger is authorized by our shareholders, our board of directors has reserved the right, in its discretion, to abandon or delay implementation of the transactions contemplated by the Plan of Liquidation and the Plan of Merger, in order, for example, to permit us to pursue new strategic opportunities. However, if authorized on a timely basis, and our board of directors determines to consummate the merger, the Company currently plans to effect the merger by December 31, 2013.

Q:

- Who can help answer my questions?

A:

- If you have any questions concerning the annual meeting, the proposals to be considered at the annual meeting or this proxy statement/prospectus, or if you would like additional copies of this proxy statement/prospectus or need help voting your shares of Common Stock, please contact MacKenzie Partners, Inc. at 1-800-322-2885.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This proxy statement/prospectus and the documents incorporated by reference into this proxy statement/prospectus contain forward-looking statements about Gyrodyne within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Statements containing the words "believes," "anticipates," "estimates," "expects," "intends," "plans," "seeks," "will," "m "should," "would," "projects," "predicts," "continues" and similar expressions or the negative of these terms constitute forward-looking statements that involve risks and uncertainties. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and they are included in this proxy statement/prospectus for the purpose of invoking these safe harbor provisions. Such statements are based on current expectations and are subject to risks, uncertainties and changes in condition, significance, value and effect. Such risks, uncertainties and changes in condition, significance, value and effect could cause Gyrodyne's actual results to differ materially from anticipated results, such as risks and uncertainties relating to the process of exploring strategic alternatives, risks associated with our ability to implement the Tax Liquidation, Plan of Liquidation or the Plan of Merger, the risk that the proceeds from the sale of our assets may be substantially below the Company's estimates, the risk that the proceeds from the sale of our assets may not be sufficient to satisfy our obligations to our current and future creditors, the risk of shareholder litigation against the Tax Litigation, the Plan of Liquidation or the Plan of Merger and other unforeseeable expenses related to the proposed liquidation, the tax treatment of condemnation proceeds, the effect of economic and business conditions, risks inherent in the real estate markets of Suffolk and Westchester Counties in New York, Palm Beach County in Florida and Fairfax County in Virginia, the ability to obtain additional capital to develop the Company's existing real estate and other risks detailed from time to time in the Company's SEC reports. Except as may be required under federal law, we undertake no obligation to update publicly any forward-looking statements for any reason, even if new information becomes available or other events occur.

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RISK FACTORS

In addition to the other information included in this proxy statement/prospectus and found in the Annexes attached hereto, including the matters addressed in "Cautionary Statement Concerning Forward-Looking Information," or incorporated in to this proxy statement/prospectus by reference, you should carefully consider the following risk factors before deciding whether to vote in favor of the proposal to authorize the Plan of Merger and the transactions contemplated thereby. Additional risks and uncertainties not presently known to us or that are not currently believed to be material, if they occur, also may adversely affect the transactions contemplated by the Plan of Liquidation or the Plan of Merger. See "Where Shareholders Can Find More Information."

There are risks and uncertainties associated with the transactions.

There are a number of risks and uncertainties relating to the Plan of Liquidation, the Plan of Merger and the respective transactions contemplated thereby. For example:

- the transactions may not be consummated (including as a result of a legal injunction) or may not be consummated as currently anticipated;

- there can be no assurance that approval of our shareholders will be obtained;

- there can be no assurance other conditions relating to implementation of the Plan of Merger will be satisfied or waived or that other events will not intervene to delay or result in our board of directors rescinding the Plan of Liquidation or terminating the Plan of Merger;

- if the transactions are not completed, the share price of shares of Common Stock may change to the extent that the current market price of Gyrodyne shares reflects an assumption that the transactions contemplated by the Plan of Liquidation and the Plan of Merger will be consummated;

- we may incur significant costs arising from efforts to engage in the transactions contemplated by the Plan of Liquidation and the Plan of Merger, and these expenditures may not result in the successful completion of such transactions; and

- even if the transactions contemplated by the Plan of Liquidation and the Plan of Merger are effected, achieving the anticipated benefits of the transactions is subject to a number of uncertainties. Failure to achieve anticipated benefits could result in increased costs and could materially adversely affect our business, financial condition and results of operations and the value of Gyrodyne to our shareholders.

If our shareholders do not authorize the Plan of Merger, it may be difficult for us to continue our business operations. Our board of directors adopted the Plan of Liquidation, pursuant to which we intend to dispose of our remaining assets in an orderly manner designed to obtain the best reasonably available value for such assets and to complete the Tax Liquidation. At the annual meeting, shareholders are being asked to approve Proposal 1 to authorize the Plan of Merger, which, if approved, would permit us to accomplish the Tax Liquidation by effecting a merger with Gyrodyne,

LLC. In the event that Proposal 1 is not approved, we will continue our business operations as a self-managed and self-administered REIT. In light of our announced intent to liquidate and the impact of the Special Dividend, prospective employees, suppliers, tenants and other third parties may be less likely to form relationships or conduct business with us if they do not believe we will continue to operate as a going concern.

In addition, because the payment of the Special Dividend is not conditioned upon authorization or consummation of the merger, if shareholders receive GSD Shares in connection with the payment thereof, our shareholders would be required to hold such GSD Shares for an indefinite period of time pending implementation of an alternative transaction, if any, or the liquidation of GSD.

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We cannot assure you of the exact timing and amount of any distribution to our shareholders under the Plan of Liquidation.

Although consummation of the merger will complete the Tax Liquidation, our board of directors currently intends that, following the merger, Gyrodyne, LLC will operate with a business plan to dispose of its current real property assets in an orderly manner designed to obtain the best value reasonably available for such assets. The liquidation process is subject to numerous uncertainties, may fail to create value to our shareholders and may not result in any remaining proceeds for distribution to our shareholders. The precise nature and timing of any distribution to our shareholders subsequent to the Special Dividend and the merger, if effected, will depend on and could be delayed by, among other things, sales of our non-cash assets, claim settlements with creditors, resolution of outstanding litigation matters, and unanticipated or greater-than-expected expenses. Examples of uncertainties that could reduce the value of or eliminate distributions to our shareholders include unanticipated costs relating to:

- failure to achieve favorable values for our properties in their disposition;
- the defense, satisfaction or settlement of lawsuits or other claims that may be made or threatened against us in the future; and
- delays in our liquidation, including due to our inability to settle claims.

As a result, we cannot determine with certainty the amount or timing of distributions to our shareholders or to holders of Gyrodyne, LLC Shares.

Our board of directors may abandon or delay implementation of the Plan of Liquidation or the Plan of Merger even if the Plan of Merger is authorized by our shareholders.

Even if the merger pursuant to the Plan of Merger is authorized by our shareholders, our board of directors has reserved the right, in its discretion, to abandon or delay implementation of the transactions contemplated thereby and by the Plan of Liquidation, in order, for example, to permit us to pursue new strategic opportunities.

If our board of directors so abandons or delays, all distributions, including the Special Dividend, made to shareholders after the adoption of the Plan of Liquidation but prior to the abandonment or delay, may be treated as capital gain dividends to the extent such distribution does not exceed our actual net capital gain for the applicable taxable year. Dividends in excess of the Company's earnings and profits would be tax-free to shareholders to the extent of their tax basis in their shares of Common Stock, and thereafter would be taxable as capital gains.

If our Common Stock were delisted from NASDAQ, shareholders may find it difficult to dispose of their shares.

If our Common Stock or, subsequent to the merger, Gyrodyne, LLC Shares were to be delisted from NASDAQ, trading of our Common Stock or, subsequent to the merger, Gyrodyne, LLC Shares most likely will be conducted in the over-the-counter market on an electronic bulletin board established for unlisted securities such as the Pink Sheets or the OTC Bulletin Board. Such trading will reduce the market liquidity of our Common Stock or, subsequent to the merger, Gyrodyne, LLC Shares. As a result, an investor would find it more difficult to dispose of, or obtain accurate quotations for the price of, our Common Stock or, subsequent to the merger, Gyrodyne, LLC Shares.

If the Plan of Merger is not authorized, the board may decide to pursue the Plan of Liquidation in another manner.

If the Plan of Merger is not approved, the board may determine not to withdraw the Plan of Liquidation but to continue to pursue a Tax Liquidation by other means, including a dissolution under New York law or a merger under different terms than those set forth in the Plan of Merger. In such event, Gyrodyne may suffer from a period of uncertainty (including, if authorization of our shareholders is required in connection with any such alternative transaction), costs of the liquidation may increase, and shareholders may be delayed in their receipt of liquidation proceeds and the amount of such proceeds may be reduced significantly.

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We may not be able to settle all of our obligations to creditors at the amount we have estimated.

We have current and may incur future obligations to creditors. Our estimated distribution to shareholders takes into account all of our known obligations and our best estimate of the amount reasonably required to satisfy such obligations. As part of the wind-down process, we will attempt to settle those obligations with our creditors. We cannot assure you that we will be able to settle all of these obligations for the amount we have estimated for purposes of calculating the likely distribution to shareholders. If we are unable to reach an agreement with a creditor relating to an obligation, that creditor may bring a lawsuit against us. Amounts required to settle obligations or defend lawsuits in excess of the amounts estimated by us will reduce the amount of remaining proceeds available for distribution to shareholders.

Our shareholders may be liable to our creditors for an amount up to the amount distributed by us if our reserves for payments to creditors are inadequate.

In the event our shareholders receive funds by means of the Special Dividend or as distributions from Gyrodyne, LLC and there are not left sufficient funds to pay any creditors who seek payment of claims against Gyrodyne, shareholders (or holders of Gyrodyne, LLC Shares) could be held liable for payments made to them and could be required to return all or a part of distributions made to them.

If the Plan of Merger is authorized, but the merger does not occur, shareholders may not be able to recognize a loss for federal income tax purposes until they receive a final distribution from us, which may be up to two years after our adoption of the Plan of Liquidation.

In general, if our shareholders approve the proposal to authorize the Plan of Merger, a shareholder will recognize, for federal income tax purposes, gain or loss equal to the difference between (i) the sum of the amount of cash and the fair market value of other property distributed to such shareholder in the Special Dividend and in any other distributions we may make pursuant to the Tax Liquidation, whether by merger or otherwise, and (ii) such shareholder's adjusted tax basis in its shares of Common Stock. Liquidating distributions pursuant to the Plan of Liquidation and/or Plan of Merger may occur at various times and in more than one tax year. Any gain will be recognized in such year(s) when the shareholder receives a distribution that, in the aggregate with all other distributions received pursuant to the Tax Liquidation, whether by merger or otherwise, is in excess of the shareholder's basis in its shares of Common Stock; loss will be recognized only in the year in which the final distribution to the shareholder is made, and only if the shareholder has not received distributions equal to the shareholder's basis in its shares of Common Stock. Shareholders are urged to consult their tax advisors as to the specific tax consequences to them of a Tax Liquidation pursuant to the Plan of Liquidation and/or Plan of Merger.

We may be unable to complete the merger in 2013, which could subject us to a REIT-level tax on assets we acquired in our REIT conversion.

If a regular corporation taxed under Subchapter C of the Code (a "regular C corporation") converts into a REIT in a transaction in which the adjusted tax basis of the assets in the REIT's hands is determined by reference to the adjusted tax basis of the assets in the hands of the regular C corporation, and if the REIT subsequently disposes of any such assets (including through a taxable merger) during a specified period (the "recognition period") following the REIT conversion from the regular C corporation, the REIT will be subject to tax at the highest corporate tax rates on any gain from such assets to the extent of the excess of the fair market value of the assets on the date of the REIT conversion over the basis of such assets on such date (such tax, the "built-in gains tax"). In connection with our REIT conversion in 2006, we acquired assets that are subject to the built-in gains tax. Under current law, a 10-year recognition period would apply to assets disposed of in taxable years beginning in 2014 or later. As a result, if we effect the merger in our 2014 or 2015 taxable years, we could be subject to the built-in gains tax as a result of the merger.

We may be the potential target of a reverse acquisition or other acquisition.

Until the merger, we will continue to exist as a public company. Public companies that exist with limited operations have from time to time been the target of "reverse" acquisitions, meaning acquisitions of public companies by private companies in order to bypass the costly and time-intensive registration process to become publicly traded companies. In addition, we could become an acquisition target, through a hostile tender offer or other means, as a result of our cash holdings or for other reasons. In the event of a hostile

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acquisition bid, approval of the acquisition would be subject to our board of directors and/or shareholder approval. If we become the target of a successful acquisition, notwithstanding the shareholder authorization of the Plan of Merger, our board of directors could potentially decide to either delay or completely abandon the merger, and our shareholders may not receive any proceeds that would have otherwise been distributed in connection with the liquidation and may receive less than they would have received in the liquidation.

Our directors and executive officers may have interests that are different from, or in addition to, those of our shareholders generally.

You should be aware of interests of, and the benefits available to, our directors and executive officers when considering the recommendation of our board of directors in favor of the proposal to authorize the Plan of Merger and the transactions contemplated thereby. Our board of directors and executive officers may have interests in the Plan of Liquidation and the Plan of Merger that may be in addition to, or different from, your interests as a shareholder. In connection with the Plan of Liquidation and the Plan of Merger, some of our executive officers will be entitled to receive severance benefits and other payments for health insurance. In addition, following the merger, our directors and executive officers will be entitled to continuing indemnification and liability insurance. For a more detailed discussion of the interests of our management, see pages [•] of this proxy statement/prospectus.

We will continue to incur the expenses of complying with public company reporting requirements.

We have an obligation to continue to comply with the applicable reporting requirements of the Exchange Act and it is anticipated that Gyrodyne, LLC will continue to be subject to such requirements during the period its assets are liquidated even though compliance with such reporting requirements involves time and expense.

The board of directors of Gyrodyne, LLC may at any time turn management of its liquidation over to a third party, and some or all of our directors may resign from the board of directors of Gyrodyne, LLC at that time.

The board of directors of Gyrodyne, LLC may at any time turn certain aspects of our management over to a third party to complete the liquidation of our remaining assets and distribute the available proceeds to our shareholders. If management is turned over to a third party, the third party could have control over the liquidation process, including the sale or distribution of any remaining assets and such third party could charge significant fees related thereto, each of which could impact the nature, amount or timing of any liquidating distributions.

Tax treatment of liquidating distributions may vary from shareholder to shareholder.

The tax treatment of any liquidating distributions we make may vary from shareholder to shareholder, and the discussions in this proxy statement/prospectus regarding such tax treatment are general in nature. You should consult your tax advisor instead of relying on the discussions of tax treatment in this proxy for tax advice.

We have not requested a ruling from the Internal Revenue Service with respect to the anticipated tax consequences of the Plan of Liquidation or Plan of Merger, and we will not seek an opinion of counsel with respect to the anticipated tax consequences of any liquidating distributions. If any of the anticipated tax consequences described in this proxy statement/prospectus proves to be incorrect, the result could be increased taxation at the corporate and/or shareholder level, thus reducing the benefit to our shareholders and us from the liquidation and distributions. Tax considerations applicable to particular shareholders may vary with and be contingent upon the shareholder's individual circumstances.

Provisions of Gyrodyne, LLC's Amended and Restated Limited Liability Company Agreement, including its classified board of directors and 20% ownership limitation could make it more difficult for a third party to acquire Gyrodyne, LLC, discourage a takeover and adversely affect its members.

Gyrodyne, LLC's Amended and Restated Limited Liability Company Agreement contains certain provisions that may have the effect of making more difficult, delaying, or deterring attempts by others to obtain control of Gyrodyne, LLC, even when these attempts may be in the best interests of its members. These include provisions on maintaining a classified board of directors, limiting members' powers to

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remove directors and an ownership limitation that prohibits members from holding Gyrodyne, LLC Shares representing in excess of 20% of the outstanding Gyrodyne, LLC Shares at any time. These provisions and others that could be adopted in the future may have the effect of discouraging unsolicited takeover proposals and therefore may delay or prevent a change of control not approved by Gyrodyne, LLC's board of directors or may delay or prevent changes in Gyrodyne, LLC's control or management, including transactions in which holders of Gyrodyne, LLC Shares might otherwise receive a premium for their shares over then current market prices.

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THE ANNUAL MEETING

We are furnishing this proxy statement/prospectus to you as part of the solicitation of proxies by our board of directors for use at the annual meeting.

Date, Time and Place

The annual meeting will be held at Flowerfield Celebrations, Mills Pond Road, Saint James, New York 11780 on December [10], 2013, at 11:00 a.m., Eastern Time.

Purpose

At the annual meeting, shareholders will be asked to consider and vote upon the following proposals and to transact such other business as may properly come before the annual meeting or any adjournment thereof:

Proposal 1 —

- to authorize the Plan of Merger under the New York Business Corporation Law, including the merger of the Company into Gyrodyne, LLC;

Proposal 2 —

- to elect two (2) directors to a three-year term of office, and until their successors shall be duly elected and qualified;

Proposal 3 —

- to approve, on a non-binding advisory basis, the compensation of the Company's named executive officers, as disclosed in this proxy statement/prospectus;

Proposal 4 —

- to determine, by a non-binding advisory vote, the frequency of future advisory votes on the compensation of the Company's named executive officers;

Proposal 5 —

- to approve, by a non-binding, advisory vote, certain compensation arrangements for certain executive officers that will be realized by with the Tax Liquidation; and

Proposal 6 —

- to ratify the engagement of Baker Tilly as independent accountants of the Company and its subsidiaries for the 2013 fiscal year.

Our board of directors unanimously recommends that you vote "FOR" each of proposals 1 – 3 and 5 – 6, and "three years" proposal 4.

Record Date; Stock Entitled to Vote; Quorum

All shareholders who hold Common Stock of record at the close of business on the record date, October 28, 2013, are entitled to notice of and to vote at the annual meeting. Each share of Common Stock issued and outstanding on the record date is entitled to one vote at the annual meeting on each proposal presented. Shareholders do not have cumulative voting rights. A quorum will be present at the annual meeting if a majority of the outstanding Common Stock entitled to vote at the annual meeting are represented in person or by proxy.

On the record date, 1,482,680 shares of Common Stock were issued and outstanding and held by 1,597 holders of record. This proxy statement/prospectus and the enclosed proxy card were mailed starting on or about [•], 2013.

Votes Required

Proxies solicited by our board of directors will be voted in accordance with the instructions given therein. Where no instructions are indicated, proxies will be voted “FOR” authorization of the Plan of Merger, “FOR” the election of the nominees for director, “FOR” the advisory approval of executive compensation, “FOR” every three (3) years for the advisory determination on the frequency of the advisory vote on executive compensation, “FOR” the advisory approval of certain compensation arrangements for certain executive officers that will be triggered by the Tax Liquidation and “FOR” the ratification of the engagement of independent accountants.

Proposal 1. An affirmative vote of the holders of at least two-thirds of all outstanding shares of Common Stock entitled to vote thereon is required to authorize Proposal 1. If you abstain from voting, your abstention will have the same effect as an “Against” vote for purposes of determining whether approval of Proposal 1 has been obtained. In such cases, broker non-votes also will have the same effect as an “Against” vote.

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Proposal 2. A plurality of the votes cast by the holders of shares of Common Stock entitled to vote thereon is required for the election of each director in Proposal 2, meaning that the two individuals receiving the most votes will be elected. A majority vote is not required.

Proposal 3. An affirmative vote of the holders of a majority of shares of Common Stock either present in person or represented by proxy and entitled to vote thereon is required to approve Proposal 3. Abstentions and broker non-votes will have no effect.

Proposal 4. A plurality of the votes cast by the holders of shares of Common Stock either present in person or represented by proxy and entitled to vote thereon is required to approve Proposal 4.

Proposal 5. An affirmative vote of the holders of a majority of shares of Common Stock either present in person or represented by proxy and entitled to vote thereon is required to approve Proposal 5. Abstentions and broker non-votes will have no effect.

Proposal 6. Proposal 6 will be decided by a majority of the votes cast in favor of or against the proposal by the holders of shares of Common Stock entitled to vote thereon. A shareholder who abstains from voting on Proposal 6 will be included in the number of shareholders present at the annual meeting for the purpose of determining the presence of a quorum. Abstentions will not be counted, however, either in favor of or against Proposal 6.

Proxies

Except for certain items for which brokers are prohibited from exercising their discretion, a broker who holds shares in “street name” has the authority to vote on routine items when it has not received instructions from the beneficial owner. Where brokers do not have or do not exercise such discretion, the inability or failure to vote is referred to as a “broker non-vote.” If the broker returns a properly executed proxy, the shares are counted as present for quorum purposes. If the broker crosses out, does not vote with respect to, or is prohibited from exercising its discretion, resulting in a broker non-vote, the effect of the broker non-vote on the result of the vote depends upon whether the vote required for that proposal is based upon a proportion of the votes cast (no effect) or a proportion of the votes entitled to be cast (effect of a vote against). If the broker returns a properly executed proxy, but does not vote or abstain with respect to a proposal and does not cross out the proposal, the proxy will be voted “FOR” all of the proposals and in the proxy holder’s discretion with respect to any other matter that may come before the meeting or any adjournments or postponements thereof. Approval of the sale of all of the assets of a corporation and the dissolution of a corporation are both matters for which brokers are prohibited from exercising their discretion. Therefore, shareholders will need to provide brokers with specific instructions on whether to vote in the affirmative for or against the Plan of Merger proposal.

At the time this proxy statement/prospectus was mailed to shareholders, management was not aware of any matter other than the matters described above that would be presented for action at the annual meeting. The shares shall be voted in the discretion of the proxies on such other matters as may properly come before the meeting or any adjournment thereof.

In addition to sending you these materials, some of the Company’s directors and officers as well as management and non-management employees may contact you by telephone, mail, e-mail, or in person. You may also be solicited by means of press releases issued by the Company and postings on the Company’s website, www.gyrodyne.com. None of the Company’s officers or employees will receive any extra compensation for soliciting you. The Company has retained MacKenzie Partners, Inc. to assist the Company in soliciting your proxy for an estimated fee of $6,500 plus reasonable out-of-pocket expenses. MacKenzie Partners expects that approximately 25 of its employees will assist in the solicitation. MacKenzie Partners will ask brokerage houses and other custodians and nominees whether other persons are beneficial owners of shares of Common Stock. If so, the Company will reimburse banks, nominees, fiduciaries, brokers and other custodians for their costs of sending the proxy materials to the beneficial owners of shares of Common Stock.

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Any shareholder executing the enclosed proxy card has the right to revoke it at any time prior to its exercise by delivering to the Company a written revocation or a duly executed proxy card bearing a later date, or by attending the annual meeting and voting in person. However, if you are a shareholder whose shares are not registered in your own name, you will need appropriate documentation from your record holder to attend the annual meeting and to vote personally at the annual meeting.

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BACKGROUND; THE TAX LIQUIDATION

Gyrodyne Company of America, Inc.

Gyrodyne, a self-managed and self-administered real estate investment trust formed under the laws of the State of New York, manages a diversified portfolio of real estate properties comprising office, industrial and service-oriented properties primarily in the New York metropolitan area. Gyrodyne owns a 68 acre site approximately 50 miles east of New York City on the north shore of Long Island, which includes industrial and office buildings and undeveloped property that is the subject of development plans and is referred to in this proxy statement/prospectus as "Flowerfield." Gyrodyne also owns medical office buildings in Port Jefferson Station, New York, Cortlandt Manor, New York and Fairfax, Virginia. Gyrodyne is also a limited partner in the Grove, which until recently owned a 3,700 plus acre property in Palm Beach County, Florida. Gyrodyne's Common Stock is traded on NASDAQ under the symbol GYRO. Gyrodyne's principal executive offices are located at One Flowerfield, Suite 24, Saint James, New York 11780 and its telephone number is (631) 584-5400. Gyrodyne's shares on the traded on NASDAQ under the symbol "GYRO."

Background: Flowerfield and Other Properties; Condemnation Litigation

Following its inception in 1946 and for the next 25 years, Gyrodyne engaged in design, testing, development, and production of coaxial helicopters primarily for the U.S. Navy. Following a sharp reduction in the Company's helicopter manufacturing business and its elimination by 1975, the Company began converting its vacant manufacturing facilities and established its rental property operation at its principal location, Flowerfield. The Company has since concentrated its efforts on the management and development of real estate. The Company subsequently completed its conversion to a REIT, effective May 1, 2006. As a REIT that converted from a regular C corporation, Gyrodyne is subject to a federal corporate level tax at the highest regular corporate rate (currently 35%) on all or a portion of any gain recognized from a sale of assets occurring during a specified period after the date of its conversion (the "recognition period," and such tax, the "built-in gain tax"), to the extent of the built-in gain in those assets on the date of the conversion. The recognition period is generally 10 years.

On November 2, 2005, the State University of New York at Stony Brook (the "University") filed an acquisition map with the Suffolk County Clerk's office and vested title in approximately 245.5 acres of property at Flowerfield pursuant to the New York Eminent Domain Procedure Law (the "EDPL"). On March 27, 2006, the Company received payment from the State of New York in the amount of $26,315,000, which the Company had previously elected under the EDPL to accept as an advance payment for such property.

On May 1, 2006, the Company filed a Notice of Claim with the Court of Claims of the State of New York seeking $158 million in damages from the State of New York resulting from the eminent domain taking by the University of the 245.5 acres of the Flowerfield property (the "Condemnation Litigation").

Thereafter, Gyrodyne acquired ten buildings in the Port Jefferson Professional Park, Port Jefferson Station, New York in June 2007, Cortlandt Medical Center in Cortlandt Manor, New York in July 2008 (and additional properties in Cortlandt Manor in August 2008 and May 2010), and the Fairfax Medical Center, Fairfax City, Virginia in 2009.

The Company has maintained an interest in the Grove, which originally represented a 20% limited partnership interest in the Grove. Based on four subsequent capital raises through 2009, each of which the Company chose not to participate in, the Company's share was approximately 9.99% as of December 31, 2010, and has since been diluted to 9.32%. On March 18, 2011, the Grove's lender, Prudential Industrial Properties, LLC ("Prudential"), commenced a foreclosure action against the Grove by filing a complaint in the Circuit Court of Palm Beach County to foreclose upon the Grove property, alleging that the Grove has defaulted on its loan from Prudential and that the Grove is indebted to Prudential in the amount of over $37 million in principal and over $8 million in interest and fees. On September 19, 2013, the Grove was sold, the foreclosure lawsuit was dismissed and the Grove was conveyed to Minto, a family-owned real estate development, construction and management company and Grove's debt to Prudential was repaid. The investment is held in a taxable REIT subsidiary of the Company with $0 value and the Company has a $1,315,000 deferred tax liability related to the Grove, which represents taxable losses not yet recorded

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pursuant to the equity method of accounting. Gyrodyne did not receive any distribution in connection with the sale. Under the agreement with Minto, Grove may receive certain additional payments if certain development benchmarks are achieved by Minto, which could enable future distributions to Gyrodyne. Gyrodyne cannot predict whether these benchmarks will be achieved or as to the timing or amount of any further distributions by Grove. Gyrodyne does anticipate it will be required to recognize its deferred tax liability during 2014.

In July 2012, the Company received $167,501,656.95 from New York State pursuant to judgments in the Company's favor in the Condemnation Litigation, which consisted of $98,685,000 in additional damages (the "2012 Proceeds"), $1,474,940.67 in costs, disbursements and expenses, and $67,341,716.28 in interest. As the interest portion was considered REIT taxable income (although not for purposes of the REIT gross income tests, pursuant to a private letter ruling received by the company in 2011) for the 2012 taxable year, our board of directors determined that it was in the best interests of shareholders to distribute $56,786,644 in the form of a cash dividend. On November 19, 2012, our board of directors declared a special cash dividend of $38.30 per share, which was paid on December 14, 2012. The declaration of the dividend also required a cash payment to participants of the Company's Incentive Compensation Plan in the aggregate amount of $4,213,000 to be allocated and paid to Plan participants in accordance with Plan rules. As of December 31, 2012, the Company intended to defer, for federal income tax purposes, recognition of the $98,685,000 gain on receipt of the 2012 Proceeds by investing this amount in qualifying REIT properties.

Background: Strategic Review, PLR

In August 2012, the Company announced that it was undertaking a strategic review, which was designed to maximize shareholder value through one or more potential cash distributions and/or through a potential sale, merger or other strategic combination, consistent with the Company's stated goal of providing one or more tax efficient liquidity events to its shareholders. In August 2012, the Company retained Rothschild, Inc., as financial advisor, and Skadden, Arps, Slate, Meagher & Flom LLP, as legal advisor, and authorized a committee of its board of directors composed of four directors, Messrs. Bhatia, Levine, Macklin and Salour (the "Strategic Alternatives Committee"), to lead the strategic review process. The Strategic Alternatives Committee had over 40 meetings in the August 2012 – August 2013 period and made regular reports on its process to the full board of directors. Commencing in October 2012, the Company solicited interest in proposals to acquire the Company from over 260 entities, and, in March 2013, an information memorandum was circulated to over 30 entities who had executed nondisclosure agreements. In the several months thereafter, members of our board of directors and management met with several bidders, permitted such bidders to conduct due diligence and indicative bids were received from a number of parties. Some of such indicative bids were for the whole Company and others contemplated the sale of a partial interest to a bidder who would assume control, but none of such bids were fully developed or contained value parameters and other terms acceptable to our board of directors and the Strategic Alternatives Committee.

In a meeting on August 2, 2013, our board of directors met and considered the status of such bidding process as well as other business alternatives available to the Company, including continuing as an operating REIT, distributing a smaller portion of the 2012 Proceeds, and reinvesting all or part of the 2012 Proceeds in qualifying REIT property. At the meeting, the Strategic Alternatives Committee recommended that, if the Company received the PLR (discussed below), the Company should seek to distribute up to $98.7 million, the full amount of the 2012 Proceeds, and that the Company also would need to provide for funding of that distribution amount plus an amount necessary to keep the Company operational during a liquidation process. The Strategic Alternatives Committee also recommended that, in the event that the Company did not receive the PLR, it be authorized to negotiate with bidders regarding potential transactions. The Strategic Alternatives Committee also recommended that the Company enter into confidentiality agreements with the Company's two largest shareholders. The Company did enter into such agreements and engaged in a dialogue with such holders. In addition to participating in numerous calls and emails, our board of directors had lengthy informal working sessions on August 27, August 30, and September 6, 2013 as well, to consider the Company's strategic alternatives, including the impact thereon of the PLR described in the next paragraph.

Following a change in tax law in January 2013 reducing the recognition period applicable for the 2012 taxable year to 5 years, the Company applied for a private letter ruling from the IRS in March 2013 and ultimately received a favorable ruling on August 28, 2013, which we call "the PLR" in this proxy statement/

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prospectus. The PLR concludes that the Company's receipt of the 2012 Proceeds occurred outside of the applicable recognition period for 2012, and therefore permits the Company to distribute, by means of a dividend such as the Special Dividend described below, the gains realized from its receipt of the 2012 Proceeds, subject to a 4% excise tax but without incurring the built-in gains tax.

In the informal session held on September 6, 2013, our board of directors considered the financial effects of a range of distribution scenarios, ranging from no distribution and reinvestment in REIT qualified assets to a full distribution of the $98.7 million using funded debt. In doing so, it considered the impact of the 4% excise tax applicable to a 2013 distribution of the 2012 Proceeds, transaction costs and payments required to be made to the ICP participants as a result of a Special Dividend.

At its September 9, 2013 meeting, our board of directors discussed that, in light of the receipt of the PLR and the timeframe necessary to achieve the benefits thereof, and given the lack of any developed acceptable third party acquisition or other control transaction with a third party with respect to the Company, that it appeared unlikely any such transaction would be developed on a basis more favorable to shareholders than the distribution permitted by the PLR. Our board of directors continued to review the issues related to a significant distribution of cash to its shareholders, including whether such distribution should be as part of a Plan of Liquidation.

The Tax Liquidation; Adoption of the Plan of Liquidation

Further to the Company's previously stated goal of providing one or more tax efficient liquidity events to its shareholders and taking into account, among other factors, the Company's receipt of the PLR, our board of directors concluded that it is in the best interests of Gyrodyne and its shareholders to liquidate the Company for federal income tax purposes. On that basis, on September 12, 2013, our board of directors adopted the Plan of Liquidation, pursuant to which we intend to dispose of our remaining assets in an orderly manner designed to obtain the best reasonably available value for such assets and to complete the Tax Liquidation, including pursuant to a merger into Gyrodyne, LLC, within the two year period from the adoption of the Plan of Liquidation.

The Special Dividend

On September 13, 2013, our board of directors declared the Special Dividend, in the amount of $98,685,000, or $66.56 per Gyrodyne share, of which approximately $68,000,000, or $45.86 per share, will be paid in cash. The balance of the Special Dividend will be payable in the form of cash proceeds from any further asset dispositions effected prior to payment of the dividend, Dividend Notes, interests in Gyrodyne, LLC or any other limited liability company to which Gyrodyne may transfer its remaining assets (or into which it may merge), or a combination of such forms at the discretion of our board of directors. The form of the balance of the Special Dividend, if other than cash, is referred to as the non-cash portion of the Special Dividend.

In a meeting held on October 9, 2013, the Board determined that in order to most clearly and directly accomplish its goal of distribution of the $98.7 million as a return of capital to shareholders, and in light of relevant consideration of issues of business continuity, shareholder liquidity and timeliness of execution, the Company would pursue the Tax Liquidation by means of a merger of the Company into Gyrodyne, LLC. At such meeting, it also determined that, if the merger into Gyrodyne, LLC is not completed by December 31, 2013, the most likely in-kind distribution in the Special Dividend would be of nontransferable interests in GSD, having the characteristics set forth in the following paragraph. In order to achieve the full benefits of the Special Dividend, the Company must make a distribution of in-kind assets with a value of at least $30,685,000 in the aggregate.

The non-cash portion of the Special Dividend may, at the discretion of our board of directors, be payable in nontransferable interests in GSD (the "Distributed Interests") or notes of the Company ("Dividend Notes"). The Distributed Interests would constitute GSD Shares having the legal and economic characteristics set forth in "Proposal 1 — The Plan of Merger — Comparison of Rights of Holders of GSD Shares and Holders of Gyrodyne, LLC's Shares," provided that at the time of the Special Dividend through the latest of December 31, 2014, the date of termination of the Plan of Merger and the date up on which all required actions have been taken under applicable law to permit unrestricted transferability thereof, such

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interests will be recorded on the books of GSD but may not be assigned or transferred, voluntarily or involuntarily, by the registered holder and will not be listed on any exchange. Any attempted assignment or transfer driving this period shall be void, except as provided in the following sentence, in which case the Distributed Interests may be transferred only on the books of GSD. GSD will permit transfers pursuant to the laws of bankruptcy, inheritance, descent or distribution, or to the successor to any holder that is a corporate or other entity. If a transfer is requested, GSD may require a holder, among other things, to furnish appropriate endorsements and transfer documents, and GSD may require a holder to pay any taxes and fees required by law. At the time of the Special Dividend through the latest of December 31, 2014, the date of termination of the Plan of Merger and the date up on which all required actions have been taken under applicable law to permit unrestricted transferability thereof, GSD will be managed by Gyrodyne, which will own all interests in GSD other than the Distributed Interests. The percentage interest in GSD represented by the Distributed Interests currently is anticipated to constitute approximately two-thirds of the equity interest in GSD. The fixed percentage interest represented by the Distributed Interests will be announced prior to their distribution, following completion of additional valuation work by Gyrodyne.

Depending on a number of factors, including the valuation of GSD and legal limitations on the portion of our assets we may transfer without shareholder approval, a portion of the in-kind dividends could be made in Dividend Notes. A copy of the form of such Dividend Notes is attached to this proxy statement/prospectus as Annex D, and this summary is qualified in its entirety by reference to such Annex D. The Dividend Notes, if issued, will bear interest at 5.0% per annum, payable semi-annually on June 15 and December 15 of each year, commencing June 15, 2014, and may be payable in cash or in the form of additional Notes (“PIK Interest”).

The Company may, in its sole discretion, at any time and from time to time without premium or penalty, prepay all or any portion of the outstanding principal amount of, or interest on, the Dividend Notes. In connection with each prepayment of principal under the Dividend Notes, the Company also is obligated to pay all accrued and unpaid interest thereunder. The Company is required to effect any optional prepayment on a pro rata basis, provided that such restriction does not apply to, and the Company may redeem from a holder one or more Dividend Notes with an aggregate principal amount of $10,000 or less. The Company is permitted to repurchase Dividend Notes on a voluntary basis in a transaction with one or more holders from time to time on such terms as the Company determines, in its sole discretion, and such repurchase shall not be required to be effected on a pro rata basis.

Upon the first to occur of (i) a sale or (ii) a complete liquidation of the Company, the Company shall pay, in cash or in kind, the outstanding principal amount of the Dividend Notes, together with all accrued and unpaid interest on the principal amount being repaid. In the case of a complete liquidation, the valuation of any interest distributed in-kind in redemption of the Dividend Notes shall be made in good faith by our board of directors of the Company and shall be conclusively binding on the Holders.

The Dividend Notes will be registered on the books of the Company and may not be assigned or transferred, voluntarily or involuntarily. Any attempted assignment or transfer shall be void, except as provided in the following sentence, in which case the Dividend Notes may be transferred only on the books of the Company. The Company will permit transfers pursuant to the laws of bankruptcy, inheritance, descent or distribution, or to the successor to any holder that is a corporate or other entity. If a transfer is requested, the Company may require a holder, among other things, to furnish appropriate endorsements and transfer documents, and the Company may require a holder to pay any taxes and fees required by law. The Company need not exchange or register the transfer of any Dividend Note or portion of a Dividend Note selected for redemption, except for the unredeemed portion of any Dividend Note being redeemed in part.

For so long as any of the Dividend Notes are outstanding, the Company will be prohibited from making any payments with respect to its capital stock, including paying dividends thereon or making distributions in respect thereof, except (i) as specifically permitted under the Plan of Liquidation and (ii) such distributions as are required for the Company to qualify as, and maintain its qualification as, a REIT or to avoid the payment of federal or state income or excise tax.

The Dividend Notes will be subordinate to the prior payment in full of all senior debt (whether outstanding on the date of issuance or thereafter created, incurred, assumed or guaranteed) (other than unasserted contingent indemnification obligations and any unasserted contingent expense reimbursement obligations

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that, at such time, have not been incurred) ("Senior Debt"), which subordination is for the benefit of the holders of Senior Debt. The Dividend Notes contain certain provisions with respect to amendments, defaults and remedies and other terms and will be governed by New York law.

The dividend is payable on December 30, 2013 to shareholders of record as of November 1, 2013. We will announce the final form of the balance of the Special Dividend on or prior to December 27, 2013. As required by NASDAQ rules governing special dividends of this magnitude, the ex-dividend date will be set one business day following the payment date.

Payment of the Special Dividend is NOT conditioned on the approval of the proposal to authorize the Plan of Merger. However, failure to complete the Tax Liquidation of Gyrodyne by the second anniversary of the of the adoption date of the Plan of Liquidation will impact the tax characteristics of the Special Dividend to the recipients. See "Federal Income Tax Considerations."

In connection with the Special Dividend, the company expects to incur costs of $3.4 million for the 4% excise tax, $1.6 million for transaction costs, and $6.2 million for ICP payments.

Solvency Opinion

In connection with the Special Dividend, our board of directors requested the opinion of Valuation Research Corporation as to the solvency of Gyrodyne after giving effect to the special distribution. On September 13, 2013, at a meeting of our board of directors, Valuation Research delivered its opinion that, immediately after the completion of the Special Dividend, (i) each of our fair value and the present fair saleable value of our aggregate assets, exceeds the sum of our total liabilities (including, without limitation, the stated liabilities, the identified contingent liabilities and Dividend Notes); (ii) we will be able to pay our debts (including our respective stated liabilities, identified contingent liabilities and the Dividend Notes), as such debts mature or otherwise become absolute or due; and (iii) we do not have unreasonably small capital.

Prior to the meeting of our board of directors on September 13, 2013, at which our board of directors approved the Special Dividend, Valuation Research engaged in various discussions with our management regarding its analysis with respect to the proposed solvency opinion to be delivered by Valuation Research. The topics of these discussions included the objectives of our Plan of Liquidation and the Special Dividend, our past and current operations and financial condition, our most recent unaudited balance sheet, projected cash flows associated with our dissolution, our public filings with the SEC, our outstanding litigation and our stated liabilities and identified contingent liabilities. On September 13, 2013, Valuation Research delivered to our management and board of directors its opinion that, as of September 13, 2013, and based on the matters described in the opinion, assuming payment of, and after giving effect to the Special Dividend, the following tests of solvency and capital adequacy are satisfied for Gyrodyne:

- each of our fair value and the present fair saleable value of our aggregate assets, exceeds the sum of our total liabilities (including, without limitation, the, stated liabilities, the identified contingent liabilities and Dividend Notes);

- each of our fair value and the present fair saleable value of our aggregate assets exceed our total liabilities (including our stated liabilities, identified contingent liabilities and Dividend Notes), by an amount greater than the amount identified to Valuation Research by us as the par value of our capital stock;

- we will be able to pay our debts (including our respective stated liabilities, identified contingent liabilities and the Dividend Notes), as such debts mature or otherwise become absolute or due; and

- we do not have unreasonably small capital.

The full text of the solvency opinion letter, which sets forth, among other things, assumptions made, matters considered and limitations on the review undertaken by Valuation Research in connection with the solvency opinion is attached to this proxy statement/prospectus as Annex B. Valuation Research Corporation's solvency opinion has several assumptions and limiting conditions. You are urged to read Valuation Research's solvency opinion letter in its entirety. The solvency opinion does not constitute a recommendation to you as to how you should vote in connection with the Plan of Liquidation. The

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solvency opinion does not address the relative merits of any other transactions or business strategies discussed by our board of directors as alternatives to the Special Dividend or the underlying business decision of our board of directors to proceed with or affect the Special Dividend, except with respect to the solvency of Gyrodyne immediately after the Special Dividend. The solvency opinion is valid only for our pro forma capital structure immediately after and giving effect to the consummation of the Special Dividend and is not valid for any subsequent dividend, share repurchase, debt or equity financing, restructuring or other actions or events not specifically referred to in the solvency opinion. Furthermore, the solvency opinion does not represent an assurance, guarantee, or warranty that we will not default on any of its debt obligations; Valuation Research does not make any assurance, guarantee, or warranty that any covenants, financial or otherwise, associated with any financing will not be broken in the future. A summary of Valuation Research's solvency opinion set forth in this proxy statement/prospectus is qualified in its entirety by reference to the full text of Valuation Research's solvency opinion letter.

In rendering the Opinion, Valuation Research conducted such reviews, analyses and inquiries deemed necessary and appropriate under the circumstances. Among other things, Valuation Research:

- reviewed Gyrodyne's 10-K SEC filings for the fiscal years ended 2011 and 2012, as well as Gyrodyne's 10-Q SEC filings for the first and second quarter of 2013;
- reviewed appraisal reports for the Company's real estate assets prepared by Cushman & Wakefield dated as of December 1, 2012 (Port Jefferson and Flowerfield), October 1, 2012 (Fairfax) and December 27, 2012 (Cortlandt Manor);
- reviewed a report compiled by Rothschild outlining broker opinions of value for the Company's real estate assets dated February 2013;
- reviewed the Plan of Liquidation;
- reviewed a draft of the document outlining the terms of the Dividend Note (which is attached to this proxy statement/prospectus as Annex D);
- reviewed a draft of the press release regarding the announcement of our board of directors declaration of the Special Dividend dated September 13, 2013;
- reviewed a draft of the resolutions of our board of directors of Gyrodyne dated September 13, 2013;
-

- reviewed operating assumptions and forecasts for the Company for the fiscal years ending 2013 through 2016 (the "Forecast"), which included sources and uses of cash and earnings and cash flow assumptions for the Company;

- had discussions with Management concerning the past, present, and future operating results, financial condition and legal affairs of the Company, among other subjects;

- visited the Company's Flowerfield real estate asset located in Long Island, New York and the Port Jefferson real estate asset located in Jefferson Station, New York;

- reviewed the industry in which the Company operates, which included an analysis of certain companies deemed comparable to the Company by Valuation Research as well as a review of analyst reports involving companies deemed comparable to the Company by Valuation Research;

- obtained a written representation from a responsible officer of the Company that there are no Identified Contingent Liabilities;

- obtained a written representation from a responsible officer of the Company that there have not been any material adverse changes in the assets or liabilities of the Company, on a consolidated basis, between June 30, 2013 (the date of the most recent audited balance sheet made available to Valuation Research) and the date hereof, that would reasonably be expected to materially affect, without limitation, the Company's business operations or conditions (financial or otherwise);

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- received a written representation from a responsible officer of the Company that the financial forecasts prepared by the Company, on a consolidated and pro-forma basis, and provided to Valuation Research reflect Management's best estimates, and are reasonable and have been prudently prepared;

- performed a cash flow and debt repayment analysis for the Company;

- reviewed information concerning businesses similar to each of the Company, and investigated their financial performance;

- developed indications of value for the Company using generally accepted valuation methodologies; and

- conducted such other reviews, analyses and inquiries and considered such other economic, industry, market, financial and other information and data deemed appropriate by Valuation Research.

The following is a summary of the material analyses performed by Valuation Research in connection with its solvency opinion.

Solvency Analysis. In conducting its review and arriving at its solvency opinion, Valuation Research relied on and assumed, without independent verification, that the financial forecasts and projections provided to them by our management have been reasonably prepared and reflect our management's best currently available estimates. Valuation Research did not make any independent appraisal of any of our properties or assets. The opinion of Valuation Research is based on business, economic, market and other conditions as they existed and could be evaluated by Valuation Research as of September 13, 2013.

Valuation Summary — Balance Sheet Analysis. Valuation Research estimated the fair value and fair saleable value of our aggregate assets using information including financial forecasts that were provided by our management, prior appraisals and other data provided to Valuation Research or using publicly available data. Valuation Research also conducted due diligence interviews with our senior management and our outside legal advisors with regard to our stated liabilities and identified contingent liabilities. Valuation Research noted that, assuming payment of and after giving effect to the Special Dividend, the estimated fair value and present fair saleable value of our aggregate assets exceeded our estimated total liabilities (including our stated liabilities, identified contingent liabilities and Dividend Notes) by approximately $19.2 million to $25.7 million, or 34.4% to 41.2% of our fair value or present fair saleable value of our aggregate assets. Valuation Research also noted that the excess was greater than the amount identified to Valuation Research by us as the aggregate par value of our capital stock of our issued capital stock plus any additional amounts that our board of directors has determined to be capital. Based on the preceding sentence, Valuation Research concluded that each of our fair value and the present fair saleable value of our aggregate assets, exceeds the sum of our total liabilities (including, without limitation, the stated liabilities, the identified contingent liabilities and Dividend Notes)and statutory capital by approximately $17.7 million to $24.2 million, or 31.7% to 38.8% of our fair value or present fair saleable value of our aggregate assets.

Cash Flow Analysis. Valuation Research reviewed the projected cash flows provided by our management associated with our dissolution as prepared by management. Valuation Research noted that, taking into account a starting cash balance of $92.3 million, assuming payment of and after giving effect to the special distribution, estimated cash

inflows (including net proceeds expected from the sale of real estate) exceeded estimated cash outflows over the projection period, by at least $6.2 million. Based on the excess net cash inflow, Valuation Research concluded that we will be able to pay our respective debts as they mature, and we will have adequate capital to pay our obligations and dissolution costs as they come due.

Terms of the Financial Arrangement with Valuation Research. Pursuant to its letter agreement with us, Valuation Research has been paid $250,000 for its services in connection with rendering the solvency opinion. If an additional solvency opinion is required in connection with closing this transaction, we have agreed to pay Valuation Research an additional fee. We have not paid Valuation Research any other consideration in the last two years. We also have agreed to reimburse Valuation Research for its out-of-pocket expenses and to indemnify and hold harmless Valuation Research and its affiliates and any

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person, director or any person controlling Valuation Research or its affiliates, for losses, claims, damages, expenses and liabilities relating to or arising out of services provided by Valuation Research in rendering its opinion. The terms of the fee arrangement with Valuation Research, which we and Valuation Research believe are customary for opinions of this nature, were negotiated at arm's-length between Valuation Research and us, and our board of directors was aware of the fee arrangement.

Internal Structure

In order to facilitate the Special Dividend and the merger pursuant to the Plan of Merger described below in Proposal 1, in October 2013 the Company expects to contribute all of its interests in Flowerfield as well as its Port Jefferson, Cortlandt Manor and Fairfax City properties and its interest in the Grove to a new subsidiary entity, GSD, a limited liability company, of which Gyrodyne currently is the sole member.

Interests of Our Directors and Executive Officers

Members of our board of directors and one of our executive officers may have interests in the approval of the proposal to authorize the Plan of Merger that are different from, or are in addition to, the interests of our shareholders generally. Our board of directors was aware of these interests and considered them, among other matters, in approving the Plan of Merger.

In connection with any liquidating distributions, members of our board of directors and our executive officers who hold shares of our Common Stock will be entitled to the same cash distributions as our shareholders based on their ownership of shares of our Common Stock, which is detailed below.

Golden Parachute Compensation

SEC rules require us to disclose and conduct an advisory vote on the compensation that would be payable to our named executive officers based on or that otherwise relates to the Plan of Liquidation of the Company. The following sets forth the amounts Frederick C. Braun III, our President and Chief Executive Officer, Gary J. Fitlin, our Senior Vice President and Chief Financial Officer, and Peter Pitsiokos, our Chief Operating Officer and Chief Compliance Officer, will or may be eligible to receive in connection with the Plan of Liquidation. This compensation is referred to as "golden parachute" compensation and is subject to a non-binding advisory vote of the shareholders described under "Proposal 5: Advisory Vote on Certain Compensation Arrangements For Certain Executive Officers That Will Be Realized By the Tax Liquidation."

On May 17, 2013, the Company entered into new employment agreements with Frederick C. Braun III and Gary J. Fitlin, respectively (the "Employment Agreements"), each dated May 15, 2013 and effective April 1, 2013, pursuant to which Messrs. Braun and Fitlin continued to serve as President and Chief Executive Officer and as Senior Vice President and Chief Financial Officer, respectively. Pursuant to the Employment Agreements, each of Mr. Braun and Mr. Fitlin earn a bonus equal to $125,000 if he is employed by the Company as of the effective date of a change-in-control (the "Change-in-Control Bonus"). The Employment Agreements define a change-in-control as the first to occur of a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company, as each such term is defined under Section 409A of the Code. Pursuant to the terms of the Employment Agreements, there is no required minimum period of employment, and either the Company or the executive may terminate at any time, with or without cause. If the executive is terminated without cause, the Company must provide him with at least 60 days' prior written notice of termination, and must pay him (i) the pro rata share of his base salary through those 60 days, (ii) the Change-in-Control Bonus, and (iii) severance pay equal to six months' base salary from the date of termination. If the executive is terminated for cause (as defined in the Employment Agreements), he will be paid the pro rata share of his base salary through the date of termination. Each of the executives may also terminate upon 60 days' prior written notice.

The Company established an incentive compensation plan in 1999, and our board of directors approved amendments to the plan on February 2, 2010 which are set forth in an Amended and Restated Incentive Compensation Plan dated as of February 2, 2010 (as amended, the "Incentive Compensation Plan"), a copy of which was included as an exhibit to the Company's Current Report on Form 8-K, filed with the SEC on February 8, 2010. Our board of directors approved the amendments to the Incentive Compensation Plan to

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better align the interests of the participants with those of the Company's shareholders as the Company pursued its strategic plan to position itself over a reasonable period of time for one or more liquidity events that will maximize shareholder value. Full-time employees and members of our board of directors are eligible to participate, and rights of all participants vested immediately on February 2, 2010.

Peter Pitsiokos is a participant in the Incentive Compensation Plan. Neither Frederick C. Braun III (the Company's Chief Executive Officer), who joined the Company in February 2013, nor Gary Fitlin (the Company's Chief Financial Officer), who joined the Company in 2009, is a participant in the Incentive Compensation Plan.

Benefits under the Incentive Compensation Plan are realized upon either a change-in-control of the Company, or upon the issuance by the Company of an "Excess Dividend" following certain asset sales.

"Change-in-control" is defined to include one or more sales or transfers by the Company during the twelve-month period ending on the date of the most recent transfer of assets having a total gross fair market value equal to or more than 90% of the total gross fair market value of all of the assets of the Company immediately before such transfer or transfers. In the event of a change-in-control, the Incentive Compensation Plan provides for a cash payment equal to the difference between the Incentive Compensation Plan's "establishment date" price of $15.39 per share and the per share price of the Common Stock on the closing date, multiplied by the equivalent of 110,000 shares of Common Stock (such number of shares subject to adjustments to reflect changes in capitalization).

An "Excess Dividend" is defined as a dividend in excess of income from operations, paid to shareholders following certain sales of assets, in which the sale of assets equals or exceeds 15 percent of the total gross fair market value of all assets of the Company immediately prior to the sales. In the event of an Excess Dividend, the Company shall pay to the plan participants a "Disposition Dividend" which in the aggregate is equal to the Excess Dividend paid per share multiplied by the number of Incentive Compensation Units in the plan, currently 110,000. This Disposition Dividend is allocated to the plan participants according to their weighted percentages, as described below.

Payments under the Incentive Compensation Plan may be deemed to be a form of deferred compensation (within the meaning of Section 409A of the Code), and if the Incentive Compensation Plan fails certain tests, the Company may have certain income tax withholding obligations under Section 409A and face interest and penalties if it fails to, or has failed to, fulfill these obligations.

For any individual who becomes a participant with an effective date after December 31, 2009, the average trading price of the Company's stock for the 10 trading days ending on the trading day prior to the participant's initial date of participation will replace the price of $15.39 for the purpose of calculating the benefit. Currently, Peter Pitsiokos is the only executive officer who is a participant in the Incentive Compensation Plan, as is each of the directors. Neither Frederick C. Braun III (the Company's Chief Executive Officer), who joined the Company in February 2013, nor Gary Fitlin (the Company's Chief Financial Officer), who joined the Company in 2009, is a participant in the Incentive Compensation Plan. The payment amount would be distributed to eligible participants based upon their respective weighted percentages (ranging from 0.5% to 18.5%). Stephen V. Maroney, the Company's former Chief Executive Officer who resigned in August 2012 and Peter Pitsiokos, the Company's Chief Operating Officer, are currently entitled to 18.5% and 13.5%, respectively, of any distribution under the Incentive Compensation Plan with the balance being distributable to other eligible employees (11.5%) and members of our board of directors (56.5%), except that the amount payable to Mr. Maroney is subject to a limitation under the Incentive Compensation Plan that prevents former officers and/or directors from benefiting from any post-departure increase in the valuation of the Company. See "Compensation Discussion and Analysis." There are currently 110,000 units granted under the Incentive Compensation Plan, equal to 110,000 shares of Common Stock.

In July 2012, the Company received $167,530,657 from the State of New York in payment of the judgments in the Company's favor in the Company's condemnation litigation with the State; as of December 31, 2013 the Company intended to defer recognition of $98,685,000 for federal income tax purposes and recognize $68,845,657 as REIT taxable income in 2012. On November 19, 2012, the Company declared a special cash dividend of $56,786,644 or $38.30 per share of Common Stock, which was paid on December 14, 2012, to

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shareholders of record on December 1, 2012, and approved an aggregate payment of $4,213,000 as required under the terms of the Incentive Compensation Plan to be allocated and paid to individual participants in accordance with the rules of the Incentive Compensation Plan. On September 13, 2013, our board of directors declared the Special Dividend, consisting of $98,685,000 or $66.56 per share of Common Stock, payable on December 30, 2013 to shareholders of record as of November 1, 2013, and approved an aggregate payment of up to $7,321,600 as required under the terms of the Incentive Compensation Plan to be allocated and paid to individual participants in accordance with the rules of the Incentive Compensation Plan.

Indemnification and Insurance

In connection with the Tax Liquidation of the Company pursuant to the Plan of Liquidation, we will continue to indemnify our directors and officers to the maximum extent permitted in accordance with applicable law, our Restated Certificate of Incorporation, as amended ("Certificate of Incorporation") and Amended and Restated By-laws ("By-laws"), and any contractual arrangements, for actions taken in connection with the Plan of Liquidation and the winding up of our business and affairs. Our board of directors is authorized to obtain and maintain insurance as may be necessary, appropriate or advisable to cover such indemnification obligations, including seeking an extension in time and coverage of our insurance policies currently in effect.

As a result of these benefits, our directors generally could be more likely to vote to approve the Plan of Merger than our other shareholders.

Other than as set forth above, it is not currently anticipated that the Plan of Liquidation or the Plan of Merger will result in any material benefit to any of our executive officers or to directors who participated in the vote to adopt the Plan of Merger.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

Set forth below is selected consolidated financial data of Gyrodyne for each of the five years ended December 31, 2012, which we are providing to assist you in your analysis of the financial aspects of the merger. Neither GSD nor Gyrodyne, LLC has any independent assets or operations.

The following is a summary of selected statement of operations and balance sheet data for each of the periods indicated. The selected financial data presented below for the years ended December 31, 2012, 2011, 2010 and 2009 are derived from our audited consolidated financial statements and related notes. The selected consolidated financial data presented below for the six months ended June 30, 2013 and 2012, are derived from our unaudited consolidated financial statements and related notes.

The selected consolidated financial data presented below should be read in conjunction with our consolidated financial statements and the notes to the consolidated financial statements and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in our Annual Report on Form 10-K for the year ended December 31, 2012 and in our Quarterly Report for the quarter ended June 30, 2013, which are incorporated herein by reference. The historical results included below and elsewhere in this proxy statement/prospectus are not necessarily indicative of the future performance of Gyrodyne, GSD or Gyrodyne, LLC. We have not presented historical financial information for GSD or Gyrodyne, LLC because each was formed in October 2013 and has no operations, assets or liabilities other than those incident to its formation and the Plan of Merger.

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	Year Ended December 31,					Six Months Ended June 30,	
	2012	2011	2010	2009	2008	2013	2012
Statement of Operations Data							
Total gross revenues	$4,989,108	$5,519,704	$5,550,863	$4,834,416	$3,385,519	$2,509,482	2,581,060
Total rental expenses	2,308,036	2,347,400	2,218,589	1,953,613	1,519,027	1,270,603	1,150,182
Condemnation income/(costs)	167,370,518	(333,308)	(109,354)	(1,307,184)	(520,469)	(2,360)	167,314,479
Mortgage interest expense	965,506	1,193,875	1,117,963	942,986	465,963	(5,748)	(513,017)
Federal tax provision (benefit)	61,649,000	—	109,000	(4,130,000)	(2,496,000)	—	61,649,000
Net income (loss)	99,048,253	(1,124,665)	(1,081,465)	1,522,890	1,542,249	(1,327,514)	105,225,100
Net income (loss) per common share	66.80	(0.84)	(0.84)	1.18	1.20	(0.90)	70.97
Balance Sheet Data							
Real estate operating assets, net	$32,533,102	$32,976,274	$33,071,570	$32,267,032	$18,060,074	32,336,820	32,684,515
Land held for development	2,274,312	2,166,066	2,041,037	1,925,429	1,771,558	2,328,146	2,221,260
Total assets	134,518,999	47,806,589	39,768,219	36,105,005	30,189,687	128,285,576	214,378,777
Mortgages including interest rate swap	5,013,415	21,143,780	21,845,279	18,164,266	10,560,486	—	20,837,797
Cash distribution paid	56,786,652	—	—	—	—	—	—
Total equity	64,768,002	23,987,798	14,961,340	14,633,741	12,686,301	63,345,842	129,227,341
Other Data							
Funds from operations (1)	$(5,712,917)	$(179,490)	$(233,911)	$(1,892,197)	$(890,482)	(818,535)	34,899
Adjusted funds from operations (1)	(48,911)	183,201	(124,557)	(585,013)	(370,013)	150,847	36,713
Cash flows provided by (used in):							
	161,712,775	(477,273)	(346,936)	(1,705,447)	(843,073)	(929,493)	(381,153)

	Year Ended December 31,					Six Months Ended June 30,	
perating ctivities	(5,010,995)	(905,834)	(1,524,192)	(6,269,146)	(6,310,030)	306,484	(5,392,447)
nvesting ctivities	(72,913,052)	9,617,579	3,143,864	7,637,486)	4,903,855	(5,013,415)	(308,454)
inancing ctivities	83,788,728	8,234,472	1,272,736	(337,107)	(2,249,248)	(5,636,424)	(6,082,054)
Net increase (decrease) in ash and cash quivalents							
Medical roperty							
Rentable quare footage	131,125	131,113	130,648	127,213	71,462	131,125	131,113
Occupancy Rate	78%	88%	95%	89%	92%	81%	79%
ndustrial roperty							
Rentable quare footage	128,586	128,141	127,062	127,062	127,062	128,586	128,141
Occupancy	85%	83%	81%	83%	89%	86%	74%
Cash dividend eclared per hare	$38.30	—	—	—	—	—	—
Funds from perations FFO) per ommon share	(3.86)	(0.13)	(0.18)	(1.46)	(0.69)	(0.55)	0.02
Company Adjusted funds rom perations "AFFO") per ommon hares	(0.03)	0.13	(0.09)	(0.45)	(0.28)	0.10	0.02
Basic and iluted veighted verage ommon hares utstanding	1,482,680	1,340,706	1,290,039	1,290,039	1,290,039	1,482,680	1,482,680

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UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

Under accounting principles generally accepted in the U.S., under the Plan of Liquidation, we expect that the merger will be accounted for under the liquidation basis of accounting whereby Gyrodyne, LLC's consolidated assets will be stated at their estimated net realizable value and consolidated liabilities, including those estimated costs associated with implementing the Plan of Liquidation, will be stated at their estimated settlement amounts. Accordingly, the condensed consolidated financial statements of Gyrodyne, LLC immediately following the merger will be substantially different compared to the consolidated financial statements of Gyrodyne immediately prior to the merger.

Comparative Historical Per Share Data and Pro Forma Net Assets Per Share Data

The following tables set forth selected historical per share data for Gyrodyne and selected unaudited pro forma per share data after giving effect to the merger. You should read this information in conjunction with the "Selected Historical Financial Data" and the information appearing under "— Unaudited Pro Forma Net Assets Per Share" included elsewhere in this proxy statement/prospectus and the historical financial statements and related notes that are incorporated in this proxy statement/prospectus by reference. In addition, taking into account on a pro forma basis the effect of the merger and the Plan of Liquidation, the consolidated financial statements of Gyrodyne, LLC after the merger will not be identical to those of Gyrodyne prior to the merger. Since the condensed consolidated financial statements of Gyrodyne, LLC will be substantially different compared to those of Gyrodyne, the unaudited pro forma condensed consolidated financial information is presented for informational purposes only and are subject to a number of estimates, assumptions and uncertainties and do not purport to represent what our statement of net assets and statement of changes in net assets would have been if the transactions had occurred as of the dates indicated, or what such results will be for any future periods. The unaudited pro forma condensed consolidated financial information is based on certain assumptions, which are described in the accompanying notes and which management believes are reasonable.

Historical Data Per Share

The historical book value per share data of Gyrodyne presented below is computed by dividing total stockholders' equity of $63,345,842, $64,768,002, $23,987,799, and $14,961,340 on June 30, 2013, December 31, 2012, December 31, 2011, and December 31, 2010, respectively, by the number of shares outstanding on those dates.

	Six Months Ended June 30, 2013	**Year Ended December 31, 2012**	**Year Ended December 31, 2011**	**Year Ended December 31, 2010**
Net Income (Loss) per common share:				
Basic & Diluted	$(0.90)	$66.80	$(0.84)	$(0.84)
Distributions declared per common share:	—	—	—	—
Special Dividend per common share	—	$38.30	—	—
Book value per share:	$42.72	$43.68	$17.89	$11.60

Unaudited Pro Forma Net Assets Per Share

The unaudited pro forma net assets per share information is computed using pro forma net assets after giving effect to the merger, and dividing by the weighted average shares outstanding during each period presented. The unaudited pro forma net assets give effect to the merger, but exclude non-recurring charges and credits directly attributable to the merger.

	Six Months Ended June 30, 2013	**Year Ended December 31, 2012**	**Year Ended December 31, 2011**
Net assets per common share:			

	Six Months Ended June 30, 2013	Year Ended December 31, 2012	Year Ended December 31, 2011
Basic & Diluted	$27.29	$27.43	$30.64
Distributions declared per common share:	—	—	—
Special Dividend per common share (A)	—	—	—

(A)

- Pro forma financial information assumes the merger/liquidation took place on December 31, 2011, therefore the net assets, as well as the net assets per share assumes both the Special Dividend of $38.30 per share paid in December 2012 and the Special Dividend of $45.86 scheduled to be paid in December 2013 have already been paid.

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Unaudited Pro Forma Condensed Consolidated Financial Data

The following unaudited pro forma condensed consolidated financial data should be read in conjunction with "Selected Historical Financial Data" included elsewhere in this proxy statement/prospectus, and the historical financial statements of Gyrodyne and the notes thereto incorporated by reference into this proxy statement/prospectus.

The unaudited pro forma statement of net assets gives effect to the merger as if the merger had occurred on June 30, 2013.

The unaudited pro forma statement of changes in net assets for the year ended December 31, 2012 and the six months ended June 30, 2013 are presented as if the Special Dividend and the merger had each occurred on January 1, 2012.

The unaudited pro forma condensed consolidated financial information was derived from the historical Gyrodyne unaudited balance sheet, as of June 30, 2013, the historical Gyrodyne audited statement of operations for the year ended December 31, 2012, the historical Gyrodyne unaudited condensed consolidated statement of operations for the six months ended June 30, 2013 and by applying certain pro forma adjustments.

The total transaction costs for 2012 and 2013 are estimated to be in approximately $7.0 million, of which approximately $3.4 million relates to the excise tax payable as a result of the Special Dividend.

The unaudited pro forma condensed consolidated financial information is presented for informational purposes only and are subject to a number of estimates, assumptions and uncertainties and do not purport to represent what such financial information would have been if the Special Dividend and the merger had occurred as of the dates indicated, or what such results will be for any future periods. The unaudited pro forma condensed consolidated financial information is based on certain assumptions, which are described in the accompanying notes and which management believes are reasonable.

The pro forma statement of net assets and statement of changes in net assets should be reviewed in conjunction with the tables titled pro forma balance sheet and pro forma statement of operations and the related notes there to.

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GYRODYNE, LLC AND SUBSIDIARIES
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF NET ASSETS
(Liquidation Basis)
June 30, 2013 (unaudited)

	Liquidation Basis June 30, 2013
Assets	
Real estate held for sale	$37,929,000
Cash and cash equivalents	15,487,993
Investment in Marketable Securities	3,776,530
Rent Receivable	131,977
Prepaid Expenses and Other Assets	603,039
Total Assets	57,928,539
Liabilities	
Accounts payable	518,277
Accrued liabilities	226,426
Deferred rent liability	83,967
Tenant security deposits payable	478,113
Pension Cost Liability	2,000,000
Deferred income taxes	1,315,000
Estimated liquidation and operating costs net of receipts	11,618,787
ICP Payable	1,229,800
Total Liabilities	17,470,370
Net assets in liquidation	$40,458,169
Gyrodyne, LLC shares o/s	1,482,680
Net assets per share	27.29

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GYRODYNE, LLC AND SUBSIDIARIES
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
(Liquidation Basis)
Year Ended December 31, 2012 (unaudited)

	Year ended December 31, 2012
Gyrodyne Company of America Stockholders' Equity at December 31, 2011 — going concern basis	$23,987,799
Cash dividend distribution	(68,000,000)
ICP payment	(5,040,305)
Stockholders' Equity Balance Prior to Merger	(49,052,506)
Effects of Adopting the Merger and Liquidation Basis of Accounting:	
Change in Fair Value of Real Estate Investments	2,786,660
Operating receipts in excess of estimated liquidation and operating costs	85,620,909
Cash dividend distribution 12/12	(56,786,644)
Reversal of deferred taxes on condemnation	61,649,000
Other decreases in net assets	
Change in value of deferred rent	(137,220)
Change in value of prepaid other	(610,994)
Change in pension asset	(1,064,843)
Total other decreases in net assets	
Change in value of pension costs	(1,331,050)
Change in other net assets	14,404
Total Effects of Adoption the Liquidation Basis of Accounting	90,140,222
Net Assets in Liquidation, at January 1, 2012	41,087,716
Changes in Fair Value of Assets and Liabilities:	
Change in market value of securities	74,287
Change in fair value of pension liability	(501,900)
Change in assets and liabilities due to activity in assets	6,436
Total changes in Net assets in Liquidation	(421,177)
Net Assets in Liquidation, December 31, 2012	$40,666,539

See accompanying notes to unaudited pro forma statement of changes in net assets

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GYRODYNE, LLC AND SUBSIDIARIES
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
(Liquidation Basis)
Six Months Ended June 30, 2013 (unaudited)

	Six Months Ended June 30, 2013
Gyrodyne Company of America Net Assets in Liquidation at December 31, 2012	$40,666,539
Changes in fair value of assets and liabilities:	
Change in market value of securities	(94,642)
Change in fair value of other net assets	(113,728)
Total Changes in Net Assets in Liquidation	(208,370)
Net Assets in Liquidation, June 30, 2013	$40,458,169

The below tables reflect pro forma financial statements in a financial reporting format for companies who are not in a plan of liquidation. The column titled ‘‘pro forma adjustments’’ reflect the adjustments necessary under the merger and to adopt the liquidation basis of accounting. Furthermore, the related notes provide further detail of the related adjustment. The tables and related notes will present the impact on historical reporting from the merger. Following the merger, the Company's financial statements will be the Statement of Net Assets and Statement of Changes in Net Assets.

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Unaudited Pro Forma Condensed Consolidated Balance Sheet June 30, 2013

	Gyrodyne Co of America, Inc.	Gyrodyne, LLC	Pro Forma Adjustments		Pro Forma Adjusted Totals
Assets					
Real Estate:					
Rental property:					
Land	$5,163,093	$—			
Building and improvements	33,580,785	—			
Machinery and equipment	344,733	—			
	39,088,611	—			
Less Accumulated Depreciation	(6,751,791)	—			
	32,336,820	—			
Land held for development:					
Land	558,466	—			
Land development costs	1,769,680	—			
	2,328,146	—			
Total Real Estate, net	34,664,966	—	$3,264,034	a	$37,929,000
Cash and Cash Equivalents	88,528,298	—	(73,040,305)	b	15,487,993
Investment in Marketable Securities	3,776,530	—			3,776,530
Rent Receivable, net of allowance for doubtful accounts of $73,000 and $64,000 (@12/12) respectively	131,977	—			131,977
Deferred Rent Receivable	223,559	—	(223,559)	c	—
Prepaid Expenses and Other Assets	960,246	—	(357,207)	d	603,039
Total Assets	$128,285,576	$—	(70,357,037)		$57,928,539
Liabilities and Stockholders' Equity					
Accounts payable	$518,278	$—			518,278
Accrued liabilities	226,426	—			226,426
Deferred rent liability	83,967	—			83,967
Tenant security deposits payable	478,113	—			478,113
Pension Cost Liability	668,950	—	1,331,050	e	2,000,000
Deferred income taxes	62,964,000	—	(61,649,000)	f	1,315,000
Income tax payable					—
Estimated liquidation and operating costs net of receipts			11,618,787	g	11,618,787
ICP payable			1,229,800	h	1,229,800
Total Liabilities	64,939,734	—	(47,469,363)		17,470,371
Commitments and Contingencies					
Stockholders' Equity:					
	1,723,888	—			1,723,888

	Gyrodyne Co of America, Inc.	Gyrodyne, LLC	Pro Forma Adjustments		Pro Forma Adjusted Totals
Common stock, $1 par value; authorized 4,000,000 shares; 1,723,888 shares issued; 1,482,680 shares outstanding, respectively					
Additional paid-in capital	17,753,505	—			17,753,505
Accumulated other comprehensive loss	(1,290,449)	—	(1,331,050)	i	(2,621,499)
Balance of undistributed income from other than gain or loss on sales of properties	46,696,595	—	(21,556,624)	j	25,139,971
	64,883,539	—	(22,887,674)		41,995,865
Less Cost of Shares of Common Stock Held in Treasury; 241,208	(1,537,697)	—			(1,537,697)
Total Stockholders' Equity	63,345,842	—	(22,887,674)		40,458,168
Total Liabilities and Stockholders' Equity	$128,285,576	$—	$(70,357,037)		$57,928,539

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Unaudited Pro Forma Condensed Consolidated Statements of Operations

	Six Months Ended June 30, 2013				
	Gyrodyne Co of America, Inc.	**Gyrodyne, LLC**	**Pro Forma Adjustments**		**Pro Forma Adjusted Totals**
Revenues					
Rental income	$2,204,086	$—	$1,873	a	$2,205,959
Rental income – tenant reimbursements	305,396	—	—		305,396
Total Rental income	2,509,482	—	1,873		2,511,355
Expenses					
Rental expenses	1,270,603	—	372,220	b	1,642,823
General and administrative expenses	1,564,615	—	(43,342)	c	1,521,273
Strategic alternative expenses	651,629	—	—		651,629
Depreciation	470,670	—	(470,670)	d	—
Total	3,957,517	—	(141,792)		3,815,725
Other Income (Expense):					
Interest income	128,629	—	—		128,629
Interest expense	(5,748)	—	—		(5,748)
Total	122,881	—	—		122,881
Net Loss Before Condemnation and Provision for Income Taxes	(1,325,154)	—	143,665		(1,181,489)
Income (expense) on condemnation	(2,360)	—	—		(2,360)
Interest income on condemnation	—	—	—		
Net Income (Loss) Before Provision (Benefit) for Income Taxes	(1,327,514)	—	143,665		(1,183,849)
Provision (Benefit) for Income Taxes	—	—	—		—
Net Income (Loss)	$(1,327,514)	$—	$143,665		$(1,183,849)

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Unaudited Pro Forma Condensed Consolidated Statements of Operations

	Year Ended December 31, 2012				
	Gyrodyne Co of America, Inc.	**Gyrodyne, LLC**	**Pro Forma Adjustments**		**Pro Forma Adjusted Totals**
Revenues					
Rental income	$4,448,402	$—	$(88,212)	a	$4,360,190
Rental income – tenant reimbursements	540,706	—			540,706
Total Rental income	4,989,108	—	(88,212)		4,900,896
Expenses					
Rental expenses	2,308,036	—	512,687	b	2,820,723
General and administrative expenses	6,561,910	—	(286,420)	c	6,275,490
Strategic alternative expenses	1,013,043	—	—		1,013,043
Depreciation	900,095	—	(900,095)	d	—
Total	10,783,084	—	(673,828)		10,109,256
Other Income (Expense):					
Interest income	86,217	—	—		86,217
Interest expense	(965,506)	—	—		(965,506)
Total	(879,289)	—	—		(879,289)
Net Loss Before Condemnation and Provision for Income Taxes	(6,673,265)	—	585,616		(6,087,649)
Income (expense) on condemnation	100,028,802	—	—		100,028,802
Interest income on condemnation	67,341,716	—	—		67,341,716
Net Income (Loss) Before Provision (Benefit) for Income Taxes	160,697,253	—	585,616		161,282,869
Provision (Benefit) for Income Taxes	61,649,000	—	(61,649,000)	e	—
Net Income (Loss)	$99,048,253	$—	$62,234,616		$161,282,869

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Gyrodyne, LLC and Subsidiaries

Notes to Unaudited Pro Forma Condensed Consolidated Balance Sheet
June 30, 2013

(a)

- Total Real Estate, net

Adjustment for the estimated fair value of real estate	$3,264,034

(b)

- Cash and Cash Equivalents

Payment of Dividend	$(68,000,000)
Payment under the incentive compensation plan (ICP) triggered by the dividend	(5,040,305)
	$(73,040,305)

(c)

- Deferred Rent Receivable

Write off of historical straight line rent receivable	$(223,559)

(d)

- Prepaid Expenses and Other Assets

Write off of deferred leasing costs	$(357,207)

(e)

- Pension Cost Liability

Underfunded pension costs	$1,331,050

(f)

- Deferred Income Taxes

Reversal of deferred tax related to the condemnation	$(61,649,000)

(g)

	$11,618,787

- Estimated liquidation and operating costs net of receipts

(h)

- ICP Payable

Balance due on payment under the ICP due to reduced cash portion of dividend	$1,229,800

(i)

- Accumulated other comprehensive loss

Underfunded pension costs effect on equity	$(1,331,050)

(j)

- Balance of Undistributed Income

Net impact on equity of the above adjustment	$(21,556,624)

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Gyrodyne, LLC and Subsidiaries

Notes to Unaudited Pro Forma Condensed Consolidated Statement of Operations
Six Months Ended June 30, 2013

(a)

- Rental Income

Change in deferred rent receivable	$1,873

(b)

- Rental Expenses

Capital Expenditures	$333,138
Write off of deferred leasing costs, net	39,082
	$372,220

(c)

- General and administrative expenses

Office depreciation	$(3,120)
Amortization of loan administration fees	(40,222)
	$(43,342)

(d)

	$(470,670)

- Depreciation

Gyrodyne, LLC and Subsidiaries

Notes to Unaudited Pro Forma Condensed Consolidated Statement of Operations
Year Ended December 31, 2012

(a)

- Rental Income

Change in deferred rent receivable	$(88,212)

(b)

- Rental Expenses

Capital Expenditures	$563,202
Write off of deferred leasing costs, net	(50,515)
	$512,687

(c)

- General and administrative expenses

Office depreciation	$(5,965)
Amortization of loan administration fees	(280,455)
	$(286,420)

(d)

	$(900,095)

- Depreciation

(e)

- Provision (Benefit) for Income Taxes

Reversal of provision for income taxes	$(61,649,000)

Note 1 — Basis of pro forma presentation

The Company's unaudited pro forma condensed consolidated financial information is presenting the conversion of financial statements based on historical cost converted to financial statements based on the liquidation basis of accounting. Under the liquidation basis of accounting the consolidated financial statements are no longer presented (except for periods prior to the adoption of the liquidation basis of accounting): a consolidated balance sheet, a consolidated statement of operations and a consolidated statement of cash flows. The consolidated statement of net assets and the consolidated statement of changes in net assets are the principal financial statements presented under the liquidation basis of accounting. Under the liquidation basis of accounting, all of Gyrodyne, LLC and Subsidiaries' assets have been stated at their estimated net realizable value and are based on current contracts, estimates and other indications of sales value net of estimated selling costs. All liabilities of the Gyrodyne, LLC and Subsidiaries, including those estimated costs associated with implementing the Plan of Liquidation, have been stated at their estimated settlement amounts. These amounts are presented in the pro forma condensed

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consolidated statement of net assets. There can be no assurance that these estimated values will be realized. Such amounts should not be taken as an indication of the timing or amount of future distributions or our actual dissolution. The valuation of assets at their net realizable value and liabilities at their anticipated settlement amount represent estimates, based on present facts and circumstances, of the net realizable value of the assets and the costs associated with carrying out the Plan of Liquidation. The actual values and costs associated with carrying out the Plan of Liquidation are expected to differ from amounts reflected in the pro forma condensed consolidated financial statements because of the plan's inherent uncertainty. These differences may be material. In particular, the estimates of our costs will vary with the length of time necessary to complete the Plan of Liquidation. Accordingly, it is not possible to predict with certainty the timing or aggregate amount which may ultimately be distributed to stockholders and no assurance can be given that the distributions will equal or exceed the estimate presented in the pro forma condensed consolidated statement of net assets in liquidation.

Note 2 — Pro forma adjustments

	June 30, 2013	**December 31, 2012**	**December 31, 2011**
GAAP Stockholders Equity	63,345,842	64,768,002	23,987,798
Fair value real estate	3,264,034	3,121,586	2,786,660
Cash due to special dividend & incentive compensation Plan	(73,040,305)	(73,040,305)	(129,826,949)
Change in other current assets	(580,766)	(468,260)	(748,214)
Estimated receipts net of liquidation and operating costs	—	—	86,850,709
Estimated liquidation and operating costs net of receipts	(11,618,787)	(12,802,635)	—
Pension costs	(1,331,050)	(1,331,050)	(2,395,893)
Deferred taxes	61,649,000	61,649,000	61,649,000
Incentive compensation plan payable	(1,229,800)	(1,229,800)	(1,229,800)
Net Assets — Pro forma	40,458,169	40,666,538	41,073,311

Selected Unaudited Pro Forma Consolidated Financial and Other Data

The Financial Information presents Gyrodyne's Net Assets and Changes in Net Assets, including per share data, after giving effect to the consummation of the merger and associated Plan of Liquidation. The statements set forth the information as if the merger had become effective on June 30, 2013, with respect to the Statement of Net Assets information, and as of January 1, 2012, with respect to the Statement of Changes in Net Assets for the year ended December 31, 2012 and Statement of Changes in Net Assets for the six months ended June 30, 2013. As previously discussed, the pro forma financial data presented are based on the liquidation basis of accounting.

The information is based on, and should be read together with, the historical financial statements, including the notes thereto, of Gyrodyne that have been presented in prior filings with the SEC, and the more detailed unaudited pro forma financial information, including the notes thereto, appearing elsewhere in this joint proxy statement/prospectus. See "Where You Can Find More Information" and "Unaudited Pro Forma Combined Condensed Consolidated Financial Statements."

We anticipate the merger to provide the most efficient strategy for maximizing shareholder value through one or more tax efficient liquidity events. Company pro forma information, while helpful in illustrating the financial characteristics of the resulting combined company under one set of assumptions, does not reflect benefits of expected cost savings or opportunities to earn additional revenue and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had our company been combined during these periods.

Comparative Per Share Data

The table presents, for the periods indicated, selected historical per share data for Gyrodyne common shares as well as unaudited pro forma per share amounts for Gyrodyne common shares and unaudited pro forma per share equivalent amounts, assuming the issuance of 1,482,680 Gyrodyne, LLC common shares in the merger. The pro forma amounts

included in the table below are presented as if the merger had been effective for the periods presented, and are based on the liquidation basis of accounting.

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You should read this information in conjunction with, and the information is qualified in its entirety by, the consolidated financial statements and accompanying notes of Gyrodyne, incorporated into this proxy statement/prospectus by reference and the unaudited pro forma combined financial information and accompanying discussions and notes beginning on page F-1. Please see “Where You Can Find More Information”. The pro forma amounts in the table below are presented for informational purposes only. You should not rely on the pro forma amounts as being indicative of the financial

Dividend Policies

Gyrodyne’s board of directors determines the time and amount of dividends to shareholders. Future Gyrodyne dividends will be authorized at the discretion of Gyrodyne’s board of directors and will depend on Gyrodyne’s actual cash flow, its financial condition, its capital requirements, the actual and contingent liabilities that are or will be incurred to complete its liquidation and the remaining amounts available for liquidating distributions, and for the period prior to the merger, the distribution requirements under the REIT provisions of the Internal Revenue Code and such other factors as Gyrodyne’s board of directors may deem relevant.

Gyrodyne common shareholders will continue to receive liquidating special dividends as authorized by Gyrodyne’s board of directors and declared by Gyrodyne. The merger agreement permits Gyrodyne to pay special dividends following the liquidation of each of its assets after adjusting the proceeds received for any amounts needed to cover the liabilities or contingent liabilities to complete its liquidation. The Company’s ICP will continue to result in liabilities and related payments to its participants under the plan in conjunction with any liquidating dividends, pursuant and limited to the provisions of the Plan.

Merger Fees, Costs and Expenses

All expenses incurred in connection with the merger agreement, the merger and the related transactions are included in the estimated liquidation and operating costs to complete the liquidation.

Pre Merger Dividend

Gyrodyne Company of America, prior to the merger will pay a special dividend to the holders of Gyrodyne common stock in order to satisfy its REIT distribution requirement and avoid entity-level income tax but will incur excise taxes of approximately 4% on its final taxable year ending with the merger.

Gyrodyne, LLC

Notes to Unaudited Pro Forma Condensed Consolidated Statement of Net Assets

June 30, 2013

In the proposed merger, each Gyrodyne Company of America stockholder will receive 1.0 common shares of Gyrodyne, LLC in exchange for each share of Gyrodyne Company of America that the stockholder owns immediately prior to the effective date of the merger.

The Unaudited Pro Forma Condensed Consolidated Statement of Net Assets and Statement of Changes in Net Assets are prepared under the liquidation basis of accounting. Under the liquidation basis of accounting the consolidated financial statements are no longer presented (except for periods prior to the adoption of the liquidation basis of accounting): a consolidated balance sheet, a consolidated statement of operations and a consolidated statement of cash flows. The consolidated statement of net assets and the consolidated statement of changes in net assets are the principal financial statements presented under the liquidation basis of accounting. Under the liquidation basis of accounting, all of Gyrodyne, LLC and Subsidiaries’ assets have been stated at their estimated net realizable value and are based on current contracts, estimates and other indications of sales value net of estimated selling costs. All liabilities of the Gyrodyne, LLC and Subsidiaries, including those estimated costs associated with implementing the Plan of Liquidation, have been stated at their estimated settlement amounts. These amounts are presented in the pro forma condensed consolidated statement of net assets. There can be no assurance that these estimated values will be realized. Such amounts should not be taken as an indication of the timing or amount of future distributions or our actual dissolution. The valuation of assets at their net realizable value and liabilities at their anticipated settlement amount represent estimates, based on present facts and

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circumstances, of the net realizable value of the assets and the costs associated with carrying out the Plan of Liquidation. The actual values and costs associated with carrying out the Plan of Liquidation are expected to differ from amounts reflected in the pro forma condensed consolidated financial statements because of the plan's inherent uncertainty. These differences may be material. In particular, the estimates of our costs will vary with the length of time necessary to complete the Plan of Liquidation. Accordingly, it is not possible to predict with certainty the timing or aggregate amount which may ultimately be distributed to stockholders and no assurance can be given that the distributions will equal or exceed the estimate presented in the pro forma condensed consolidated statement of net assets in liquidation.

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MARKET PRICE AND DIVIDEND DATA

Markets and Historical Market Prices for Gyrodyne Common Stock

Neither Gyrodyne, LLC Shares nor GSD Shares are currently traded or listed on any stock exchange or market. Gyrodyne Common Stock is traded under the symbol "GYRO" on NASDAQ and we expect Gyrodyne, LLC Shares to trade on NASDAQ under the symbol "GYRO" following the merger. On September 13, 2013, the last trading day completed prior to announcement of the Plan of Liquidation, the closing price per share of Gyrodyne Common Stock was $71.03. On October 17, 2013, the most recent trading day for which prices were available, the closing price closing price per share of Gyrodyne Common Stock was $76.00.

The following table presents the reported high and low sale prices of Gyrodyne Common Stock on NASDAQ for the periods presented and as reported in the report. You should obtain a current stock price quotation for Gyrodyne Common Stock. The historical trading prices of Gyrodyne Common Stock are not necessarily indicative of the future trading prices of Gyrodyne, LLC Shares because, among other things, the current stock price of Gyrodyne Common Stock does not necessarily take into account the changes in Gyrodyne's form of organization to a limited liability company structure as a result of the merger or the other transactions described in this proxy statement/prospectus.

Period from January 1, 2013 to October 17, 2013

	Sales Price	
	High	**Low**
From October 1, 2013 to October 17, 2013	$77.479	$ 75.36
Quarter Ended September 30, 2013	$80.04	$ 69.29
Quarter Ended June 30, 2013	$74.10	$ 69.01
Quarter Ended March 31, 2013	$76.00	$ 71.36

Year Ended December 31, 2012

	Sales Price	
Quarter Ended	**High**	**Low**
December 31, 2012	$114.80	$ 68.01
September 30, 2012	$115.22	$ 107.00
June 30, 2012	$116.40	$ 97.86
March 30, 2012	$106.00	$ 96.61

Year Ended December 31, 2011

	Sales Price	
Quarter Ended	**High**	**Low**
December 31, 2011	$110.01	$ 54.99
September 30, 2011	$70.00	$ 52.03
June 30, 2011	$76.34	$ 63.52
March 31, 2011	$82.94	$ 69.75

Dividends

There was a special cash dividend declared on Gyrodyne Common Stock during the year ended December 31, 2012 and none in 2011. If regular dividends are declared in a quarter, those dividends will be paid during the subsequent quarter. There was a special dividend declared in the amount of $38.30 per share to shareholders of record as of December 1, 2012 and paid on December 14, 2012 resulting in a total dividend distribution of $56,786,652. On September 13, 2013, our board of directors declared the Special

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Dividend in the amount of $98,685,000, or $66.56 per Gyrodyne share, of which approximately $68,000,000, or $45.86 per share, will be paid in cash. The balance of the Special Dividend will be payable in the form of cash proceeds from any further asset dispositions effected prior to payment of the dividend, Dividend Notes, interests in GSD or any other limited liability company to which Gyrodyne may transfer its remaining assets (or into which it may merge), or a combination of such forms at the discretion of our board of directors. See "— The Special Dividend." Future dividend declarations, if any, are at the discretion of our board of directors and will depend on our actual cash flow, our financial condition, capital requirements and such other factors as the board of directors deems relevant.

If the Plan of Merger is approved, the Tax Liquidation is expected to be concluded prior to the second anniversary of the adoption date of the Plan of Liquidation, by a merger of Gyrodyne and GSD with and into Gyrodyne, LLC, which would be the surviving entity, with Gyrodyne shareholders and holders of GSD Shares receiving interests in Gyrodyne, LLC pursuant to the merger. The proportionate interests of all of Gyrodyne shareholders and holders of GSD Shares shall be fixed on the basis of their respective holdings at the close of business on the final record date, and after such date, any distributions made by us shall be made solely to Gyrodyne shareholders and holders of GSD Shares of record on the close of business on the final record date, except to reflect permitted transfers. Our board of directors is, however, currently unable to predict the precise nature, amount or timing of this distribution or any other distributions pursuant to the Plan of Liquidation or otherwise. The actual nature, amount and timing of all distributions will be determined by our board of directors or a trustee designated by our board of directors, in its sole discretion. See "Proposal 1 — The Plan of Merger — Recommendation of our Board of Directors; Reasons for the Plan of Merger."

YOU ARE URGED TO READ THE SECTION TITLED "FEDERAL INCOME TAX CONSIDERATIONS," AND TO CONSULT YOUR TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL, AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES TO YOU OF THE SPECIAL DIVIDEND, PLAN OF LIQUIDATION AND PLAN OF MERGER IN LIGHT OF YOUR PARTICULAR INVESTMENT OR TAX CIRCUMSTANCES.

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PROPOSAL 1: AUTHORIZATION OF THE PLAN OF MERGER

The discussion of the Plan of Merger and the transactions contemplated thereby contained in this section summarizes the material terms of the Plan of Merger and the transactions contemplated thereby, including the possible merger of the Company into Gyrodyne, LLC. Although we believe that the description covers the material terms of the transactions contemplated by the Plan of Merger, this summary may not contain all of the information that is important to you. For a more complete understanding of the Plan of Merger and the transactions contemplated thereby, we urge you to read carefully this proxy statement/prospectus, the Plan of Merger, a copy of which is attached to this proxy statement/prospectus as Annex C, and the other documents referred to herein (including the annexes).

Parties to the Merger

Gyrodyne Company of America, Inc.

Gyrodyne, a self-managed and self-administered REIT formed under the laws of the State of New York, manages a diversified portfolio of real estate properties comprising office, industrial and service-oriented properties primarily in the New York metropolitan area. Gyrodyne owns Flowerfield, a 68 acre site approximately 50 miles east of New York City on the north shore of Long Island, which includes industrial and office buildings and undeveloped property which is the subject of development plans. Gyrodyne also owns medical office buildings in Port Jefferson Station, New York, Cortlandt Manor, New York and Fairfax, Virginia. Gyrodyne is also a limited partner in the Grove. Gyrodyne's Common Stock is traded on NASDAQ under the symbol "GYRO." Gyrodyne's principal executive offices are located at One Flowerfield, Suite 24, Saint James, New York 11780 and its telephone number is (631) 584-5400.

Gyrodyne, LLC

Gyrodyne, LLC, a New York limited liability company and direct wholly-owned subsidiary of Gyrodyne, was formed on October 3, 2013 solely in connection with the transactions contemplated by the Plan of Liquidation and the Plan of Merger. Gyrodyne, LLC has not commenced any operations, has only nominal assets solely related to its entry into the Plan of Merger and has no liabilities or contingent liabilities, nor any outstanding commitments, other than as set forth in the Plan of Merger. Gyrodyne, LLC's principal executive offices are located at One Flowerfield, Suite 24, Saint James, New York 11780 and its telephone number is (631) 584-5400.

Gyrodyne Special Distribution, LLC

GSD, a New York limited liability company and direct wholly-owned subsidiary of Gyrodyne, was formed on October 15, 2013 solely in connection with the transactions contemplated by the Plan of Liquidation and the Plan of Merger. GSD has not commenced any operations, has only nominal assets solely related to its entry into the Plan of Merger and has no liabilities or contingent liabilities, nor any outstanding commitments, other than as set forth in the Plan of Merger. As part of an internal restructuring, we expect to contribute all of Gyrodyne's real estate assets to GSD prior to the consummation of the transactions contemplated by the Plan of Liquidation and the Plan of Merger. GSD's principal executive offices are located at One Flowerfield, Suite 24, Saint James, New York 11780 and its telephone number is (631) 584-5400.

Adoption of the Plan of Merger

In connection with the adoption of the Plan of Liquidation, our board of directors has approved and recommends that you approve the proposal to authorize the Plan of Merger and the transactions contemplated thereby. The Plan of Merger is designed to facilitate the Tax Liquidation. Following the merger, if implemented, it is the current intent of the board that the company would operate with a business plan to dispose of its current real property assets in an orderly manner designed to obtain the best value reasonably available for such assets. If approved, each of Gyrodyne and GSD would be merged with and into Gyrodyne, LLC, which would be the surviving entity in the merger. Gyrodyne, LLC is intended to be a pass-through entity for federal income tax purposes and Gyrodyne, LLC Shares are intended to become publicly traded on NASDAQ under the symbol "GYRO" if the merger is effected as a result of the

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transactions described in this proxy statement/prospectus. No assurance can be given that NASDAQ will permit trading of Gyrodyne, LLC Shares. The terms of the merger are set forth in the Plan of Merger attached as Annex C to this proxy statement/prospectus.

At the annual meeting, shareholders are being asked to vote "FOR" Proposal 1 to authorize the Plan of Merger. However, even if our shareholders approve the proposal to authorize the Plan of Merger, our board of directors has reserved the right, in its discretion, to abandon or delay implementation of the merger and any other transaction contemplated by the Plan of Merger, in order, for example, to permit us to pursue new strategic opportunities.

Effect of Authorization of the Plan of Merger

If our shareholders approve the proposal to authorize the Plan of Merger and the transactions contemplated thereby, our board of directors will have the power to effect the Tax Liquidation by consummating the merger. Our board of directors would determine whether to consummate the merger exercising its best judgment based on circumstances existing at the time the merger is susceptible of being consummated, and could determine not to consummate the merger if it determined that a more favorable alternative to Gyrodyne and its shareholders then existed. Pursuant to the terms of the Plan of Merger and in accordance with New York law, each of Gyrodyne and GSD will be merged with and into Gyrodyne, LLC, whereupon the separate corporate existence of each of Gyrodyne and GSD will cease and Gyrodyne, LLC will be the surviving entity of the merger. Upon the effectiveness of the merger, each share of Common Stock will be converted into such number of validly issued common shares of Gyrodyne, LLC as shall be determined by the Board of Directors of Gyrodyne and announced at least ten days prior to the annual meeting and each common share of GSD will be converted into such number of validly issued common shares of Gyrodyne, LLC as shall be determined by the Board of Directors of Gyrodyne and announced at least ten days prior to the annual meeting, whereupon holders of such shares automatically will be admitted to Gyrodyne, LLC as members. Further, at the effective time of the merger, Gyrodyne, LLC will assume each of the liabilities and obligations of each of Gyrodyne and GSD, including Gyrodyne's Incentive Compensation Plans.

Effect on Gyrodyne and Gyrodyne Shareholders if the Plan of Merger is Not Authorized

If our shareholders do not approve the proposal to authorize the Plan of Merger and the transactions contemplated thereby, we will continue our business operations as a self-managed and self-administered REIT. In light of our announced intent to liquidate and the impact of the Special Dividend, prospective employees, suppliers, tenants and other third parties may refuse to form relationships or conduct business with us if they do not believe we will continue to operate as a going concern.

In addition, because the payment of the Special Dividend is not conditioned upon authorization or consummation of the merger, if shareholders receive GSD Shares in connection with the payment thereof, our shareholders would be required to hold such GSD Shares for an indefinite period of time pending implementation of an alternative transaction, if any, or the liquidation of GSD. For a description of the tax consequences of such scenario, see "Federal Income Tax Considerations — If the Plan of Merger is Not Authorized."

Plan for Gyrodyne, LLC Subsequent to the Merger

It is the current intent of the board of directors that, although the consummation of the merger will complete the Tax Liquidation, following the merger Gyrodyne, LLC will operate with a business plan to dispose of its current real property assets in an orderly manner designed to obtain the best value reasonably available for such assets. Proceeds of such dispositions will be used to settle any claims, pending or otherwise, against Gyrodyne and to make distributions to holders of Gyrodyne, LLC Shares. When all properties of Gyrodyne, LLC are disposed of, it is intended Gyrodyne, LLC will dissolve and a final distribution will be made.

Our board of directors is, however, currently unable to predict the precise nature, amount or timing of such distributions, other than the Special Dividend. The actual nature, amount and timing of all distributions will be determined by Gyrodyne, LLC's board of directors, in its sole discretion, and will depend in part upon our ability to convert our remaining assets into cash and pay and settle our remaining liabilities and obligations. See "Proposal 1 — The Plan of Merger — Recommendation of our Board of Directors; Reasons for the Plan of Merger."

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Sales of our assets by Gyrodyne, LLC could take the form of individual sales of assets, sales of groups of assets organized by business, type of asset or otherwise, a single sale of all or substantially all of our assets, or some other form of sale. Sales of assets will be made on such terms as are approved by Gyrodyne, LLC's board of directors in its sole discretion. The assets may be sold to one or more purchasers in one or more transactions over a period of time. It is not anticipated that any further shareholder votes will be solicited with respect to the approval of the specific terms of any particular sales of assets approved by Gyrodyne, LLC's board of directors. The prices at which Gyrodyne, LLC will be able to sell our various assets depends largely on factors beyond our control, including, without limitation, the condition of financial markets, the availability of financing to prospective purchasers of the assets, U.S. and foreign regulatory approvals, public market perceptions, and limitations on transferability of certain assets. In addition, we may not obtain as high a price for a particular asset as we might secure if we were not in liquidation. Uncertainties as to the precise value of our non-cash assets and the ultimate amount of our liabilities make it impracticable to predict the aggregate net value ultimately distributable to shareholders in the liquidation of Gyrodyne, LLC. Claims, liabilities and expenses from operations, including operating costs, salaries, income taxes, payroll and local taxes, legal, accounting and consulting fees and miscellaneous office expenses, although currently declining, will continue to be incurred following shareholder approval of the Plan of Merger. Certain professional fees, such as legal expenses and the fees of outside financial advisors have recently increased, however, as a result of the strategic review, the PLR and the liquidation process. These expenses will reduce the amount of assets available for ultimate distribution to shareholders, and, while a precise estimate of those expenses cannot currently be made, management and our board of directors believe that available cash and amounts received on the sale of assets will be adequate to provide for our obligations, liabilities, expenses and claims (including contingent liabilities) and to make cash distributions to shareholders and holders of Gyrodyne, LLC Shares. However, no assurances can be given that available cash and amounts received on the sale of assets will be adequate to provide for our obligations, liabilities, expenses and claims and to make cash distributions to shareholders and holders of Gyrodyne, LLC Shares. If such available cash and amounts received on the sale of assets are not adequate to provide for our obligations, liabilities, expenses and claims, distributions of cash and other assets to our shareholders and holders of Gyrodyne, LLC Shares will be reduced and could be eliminated. See "Proposal 1 — The Plan of Merger — Recommendation of our Board of Directors; Reasons for the Plan of Merger."

Following is a table showing management's estimate of cash proceeds and outlays and of our ultimate distribution to shareholders and holders of Gyrodyne, LLC Shares as of the date of this proxy statement/prospectus. The following estimates are not guarantees and they do not reflect the total range of possible outcomes. For a discussion of the risk factors related to the Plan of Liquidation and any potential proceeds which we may be able to distribute to shareholders and holders of Gyrodyne, LLC Shares, see "Proposal 1 — The Plan of Merger — Recommendation of our Boa of Directors; Reasons for the Plan of Merger."

Estimated Distribution to Shareholders (including Estimated Distribution to holders of Gyrodyne, LLC Shares)
(In millions except Shares Outstanding and per share Amounts)

	Low	High
Cash and Cash Equivalents as of June 30, 2013	$88.5	$88.5
Special Dividend — Cash Portion	$(68.0)	$(68.0)
Estimated Cash at December 31, 2013, Net of the Special Dividend	$10.4	$10.4

Under various analyses, assuming the merger is effected and completion of the liquidation of Gyrodyne, LLC's assets took until December 31, 2016, and giving effect to its estimated cash flow from operation of its existing properties until their sale, the Company expects Gyrodyne, LLC would have a cash balance of approximately $8.6-$9.0 million at the end of December 31, 2016. Taking into account, the expected proceeds from the sale of real estate as well as the payment of various estimated wind-down expenses/

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liabilities, the Company is expected to have distributable cash of $37.0-$44.8 million available as further distribution to holders of Gyrodyne, LLC Shares. If the maximum amount of Divided Notes were issued ($20.70 per share), such distributions would include amounts on account of repayment of the Dividend Notes and payment of PIK interest thereon.

Estimated Cash Proceeds and Outlays; Indicated Distribution Range
(In millions except Shares Outstanding and per share Amounts)

	Low		High	
Proceeds				
Cash at end of liquidation period (December 31, 2016)	$8.6		$9.0	
Gross Real Estate Proceeds (1)	36.4		44.3	
Gross Cash	$45.0		$53.3	
Uses				
Severance Obligations	$0.6		$0.6	
Real Estate Selling Costs (6%)	2.1		2.6	
Unfunded Pension Plan Costs	2.0		2.0	
Deferred Taxes on Grove	1.3		1.3	
D&O Insurance Expenses	0.4		0.4	
Liquidation Costs (2)	1.0		1.0	
Litigation Contingency	0.6		0.6	
Total Uses	$8.0	(3)	$8.5	(3)
Estimated Distributable Cash	$37.0	(4)	$44.8	(4)
Shares Outstanding as of August 9, 2013	1,482,680		1,482,680	
Estimated Per Share Distribution, Net of the Special Dividend	$24.95		$30.22	
Estimated Per Share Distribution, Inclusive of the Cash Portion of the Special Dividend of $45.86 (3) per Share	$70.81		$76.08	

(1)

- Gross Real Estate Proceeds computed based on application of an asset appraisal and a comparable companies approach. The aggregate value received upon the disposition of Gyrodyne's properties may be less than or may exceed the indicated value range.

(2)

- Estimated legal, accounting and other costs related to the liquidation of the Company's assets.

(3)

- Does not reflect any liability for corporate level tax on capital gains. Such capital gains tax may be payable under certain circumstances.

(4)

- For purposes of this analysis, the Special Dividend is assumed to be $45.86 per share in cash and $20.70 per share in GSD Shares. If the maximum amount of Dividend Notes were issued ($20.70 per share), such distributions would include amounts on account of repayment of the Dividend Notes and payment of PIK interest thereon.

If the maximum amount ($30.7 million, or $20.70 per share) of Dividend Notes were issued in the Special Dividend, and if the maximum PIK interest of $4.9 million were paid thereon, the indicated distribution range would be as follows:

(In millions except Shares Outstanding and per share Amounts)

Total Uses	$43.6	(3)	$44.1	(3)
Estimated Distributable Cash	$1.4	(4)	$9.2	(4)
Shares Outstanding as of August 9, 2013	1,482,680		1,482,680	
Estimated Per Share Distribution	$0.94		$6.20	
Estimated Per Share Distribution, Inclusive of the Cash Portion of the Special Dividend and Repayment of Dividend Notes and Payment of PIK Interest	$70.81		$76.08	

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Accounting Treatment of the Merger

For accounting purposes, we expect that the merger will be treated as a transaction between entities under common control. The accounting basis used to record the consolidated assets and liabilities of Gyrodyne, LLC will be the liquidation value of Gyrodyne's assets and liabilities in accordance with the liquidation basis of accounting.

Conditions to Completion of the Merger

In addition to approval of Proposal 1 by the holders of shares of Common Stock in accordance with Section 903(a)(2)(A)(ii) of the New York Business Corporation Law, the completion of the Plan of Merger is subject to satisfaction or, if not prohibited by law, waiver of the following conditions:

- approval for listing on NASDAQ of Gyrodyne, LLC Shares, subject to official notice of issuance;
- the effectiveness of the registration statement, of which this proxy statement is a part, without the issuance of a stop order or initiation of any proceeding seeking a stop order by the SEC;
- no governmental authority shall have enacted, issued, promulgated, enforced or entered into law (whether temporary, preliminary or permanent) that is then in effect and that enjoins, restrains, conditions, makes illegal or otherwise prohibits the consummation of the transactions contemplated by the Plan of Merger;
- all necessary material consents, waivers, approvals, authorizations or orders required to be obtained, and the making of all material filings required to be made, by any party hereto for the authorization, execution and delivery, and performance of the Plan of Merger, and the consummation by Gyrodyne, GSD and Gyrodyne, LLC of the merger, shall have been obtained or made; and
- holders of fewer than 5% of the outstanding shares of Common Stock shall have perfected their statutory appraisal rights to obtain the "fair value" of their shares of Common Stock.

In addition, even if all of the foregoing conditions are satisfied, our board of directors has the right to cancel or defer the merger even if our shareholders of Gyrodyne vote to approve the merger and the other conditions to the consummation of the merger are satisfied or waived.

Termination of the Plan of Merger

The Plan of Merger provides that it may be terminated and the merger abandoned at any time prior to its completion, before or after approval of the merger by the shareholders of Gyrodyne or the sole member of Gyrodyne, LLC, by the mutual consent of our board of directors and the sole member of Gyrodyne, LLC.

We have no current intention of abandoning the merger subsequent to the annual meeting if shareholder approval is obtained and the other conditions to the merger are satisfied or, if not prohibited by law, waived. However, our board of directors reserves the right to cancel or defer the merger even if our shareholders of Gyrodyne vote to approve the merger and the other conditions to the completion of the merger are satisfied or waived. See "Risk Factors — Our Board of Directors may abandon or delay implementation of the Plan of Liquidation or the Plan of Merger even if the Plan of Merger is authorized by our shareholders."

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Amended and Restated Limited Liability Company Agreement of Gyrodyne, LLC

The discussion of the Amended and Restated Limited Liability Company Agreement of Gyrodyne, LLC contained in this section summarizes the material terms of the Amended and Restated Limited Liability Company Agreement of Gyrodyne, LLC. Although we believe that the description covers the material terms of the Amended and Restated Limited Liability Company Agreement of Gyrodyne, LLC, this summary may not contain all of the information that is important to you. For a more complete understanding of the Amended and Restated Limited Liability Company Agreement of Gyrodyne, LLC, we urge you to read carefully this proxy statement/prospectus, the Amended and Restated Limited Liability Company Agreement of Gyrodyne, LLC, a copy of which is attached to this proxy statement/prospectus as Annex F, and the other documents referred to herein (including the annexes).

Organization and Duration

Our wholly-owned subsidiary, a limited liability company, was formed on October 3, 2013 as Gyrodyne, LLC and will remain in existence until dissolved in accordance with its Limited Liability Company Agreement, dated October 3, 2013. Gyrodyne, LLC intends to adopt its Amended and Restated Limited Liability Company Agreement immediately prior to or concurrently with the consummation of the merger. The Articles of Organization, as in effect immediately prior to the consummation of the merger, will be the Articles of Organization after the consummation of the merger.

Purpose

Under its Amended and Restated Limited Liability Company Agreement, Gyrodyne, LLC will be permitted to engage in any business activity that lawfully may be conducted by a limited liability company organized under New York law and, in connection therewith, to exercise all of the rights and powers conferred upon us pursuant to the agreements relating to such business activity; provided, however, that Gyrodyne, LLC's management shall not cause the Company to engage, directly or indirectly, in any business activity that Gyrodyne, LLC's board of directors determines would cause us to be treated as an association taxable as a corporation for federal income tax purposes.

Agreement to be Bound by Limited Liability Company Agreement; Power of Attorney

Upon receiving Gyrodyne, LLC Shares, you will be admitted as a member of Gyrodyne, LLC and will be deemed to have agreed to be bound by the terms of its Amended and Restated Limited Liability Company Agreement. Pursuant to this agreement, each member and each person who acquires Gyrodyne, LLC Shares from a member grants to certain of its officers and its board of directors (and, if appointed, a liquidator) a power of attorney to, among other things, execute and file documents required for our qualification, continuance or dissolution. The power of attorney also grants certain of Gyrodyne, LLC's officers and board of directors the authority to make certain amendments to, and to make consents and waivers under and in accordance with, its Amended and Restated Limited Liability Company Agreement.

Ownership Limitation

Members of Gyrodyne, LLC may not hold Gyrodyne, LLC Shares representing in excess of 20% of the outstanding Gyrodyne, LLC Shares at any time. If a member of Gyrodyne, LLC exceeds 20% ownership, at any time for any reason whatsoever, including but not limited to additional contributions by members, purchases or other acquisitions by members, mergers, consolidations, acquisitions, or other business combinations involving the member, then Gyrodyne, LLC Shares in excess of such 20% ownership limit shall be transferred by such member to an irrevocable trust formed and administered by Gyrodyne, LLC and of which such member shall be the beneficiary. Such LLC Shares held in trust shall have no voting rights when held in the trust and shall be disregarded in computing any required votes under the Amended and Restated Limited Liability Company Agreement of Gyrodyne, LLC.

At the end of each fiscal quarter, or at such other earlier date as determined by the board of directors of Gyrodyne, LLC, Gyrodyne, LLC, on behalf of the trust, shall have the option to purchase such Gyrodyne, LLC Shares from the trust at a price determined by an independent appraiser or to offer such Gyrodyne, LLC Shares to third parties, including to other member of Gyrodyne, LLC in proportion to their relative

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ownership percentage, or to other persons at the appraised price. However, in the event such a member's ownership percentage including Gyrodyne, LLC Shares held beneficially in the trust on behalf of such member, at any time becomes less than the 20% ownership limit due to the sale of Gyrodyne, LLC Shares by such member or due to additional issuances of Gyrodyne, LLC Shares by Gyrodyne, LLC, then the trust (to the extent such member's Gyrodyne, LLC Shares have not been sold pursuant) has an obligation to return such Gyrodyne, LLC Shares up to the 20% ownership limit.

Duties of Officers and Board of Directors

Gyrodyne, LLC's Amended and Restated Limited Liability Company Agreement will provide that its business and affairs shall be managed under the direction of its board of directors, which shall have the power to appoint our officers. Gyrodyne, LLC's Amended and Restated Limited Liability Company Agreement further provides that the authority and function of its board of directors and officers shall be identical to the authority and functions of a board of directors and officers of a corporation organized under the New York Business Corporation Law, except as expressly modified by the terms of the Amended and Restated Limited Liability Company Agreement.

Prior to the merger, Gyrodyne, LLC will be managed by Gyrodyne, which will own all interests in Gyrodyne, LLC other than the Distributed Interests. The percentage interest in Gyrodyne, LLC represented by the Distributed Interests will be announced prior to their distribution, following completion of additional valuation work by Gyrodyne.

After the merger, it is anticipated that Gyrodyne, LLC will be managed by a board of directors with the same members of our board of directors, and have the same officers and management personnel, as that of Gyrodyne prior to the merger. Further, it is anticipated that the board of directors will form the same committees with identical members and substantially similar governing charters as those of Gyrodyne prior to the merger.

Election of Members of Gyrodyne, LLC's Board of Directors

At its first annual meeting of members following the consummation of the merger, certain members of Gyrodyne, LLC's board of directors will be re-elected by its members on a staggered basis.

Removal of Members of Gyrodyne, LLC's Board of Directors

Any director may be removed, with or without cause, by holders of a majority of the total voting power of all of our outstanding shares then entitled to vote at an election of directors.

Size of Board of Directors

Gyrodyne, LLC's Amended and Restated Limited Liability Company Agreement will provide that Gyrodyne, LLC's board of directors shall consist of not less than three (3) nor more than seven (7) directors, who need not be members of Gyrodyne, LLC. Within these limits, the number of directors of Gyrodyne, LLC shall be fixed from time to time by resolution of the board of directors.

Costs and Expenses

Following consummation of the merger, all of Gyrodyne, LLC's expenses, including all expenses incurred by or attributable solely to Gyrodyne, including expenses incurred in connection with the merger, will be accounted for as expenses of Gyrodyne, LLC.

Limited Liability

The New York Limited Liability Company Law provides that a member who receives a distribution from a New York limited liability company and knew at the time of the distribution that the distribution was in violation of the New York Limited Liability Company Law shall be liable to the company for the amount of the distribution for three years. Under the New York Limited Liability Company Law, a limited liability company may not make a distribution to a member if, after the distribution, all liabilities of the company, other than liabilities to members on account of their shares and liabilities for which the recourse of

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creditors is limited to specific property of the company, would exceed the fair value of the assets of the company. For the purpose of determining the fair value of the assets of a company, the New York Limited Liability Company Law provides that the fair value of property subject to liability for which recourse of creditors is limited shall be included in the assets of the company only to the extent that the fair value of that property exceeds the nonrecourse liability. Under the New York Limited Liability Company Law, an assignee who becomes a substituted member of a company is liable for the obligations of his assignor to make contributions to the company, except the assignee is not obligated for liabilities unknown to him at the time the assignee became a member and that could not be ascertained from the Amended and Restated Limited Liability Company Agreement.

Limitations on Liability and Indemnification of Our Directors and Officers

Gyrodyne, LLC's Amended and Restated Limited Liability Company Agreement, will indemnify each of its board of directors, officers and employees to the fullest extent permitted by law, against all expenses, liabilities and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) arising from the performance of any of their obligations or duties in connection with their service to Gyrodyne, LLC or its Amended and Restated Limited Liability Company Agreement, including in connection with any civil, criminal, administrative, investigative or other action, suit or proceeding to which any such person may hereafter be made party by reason of being or having been one of our directors or officers, except by reason of acts or omissions constituting fraud, willful misconduct or gross negligence.

In addition, none of Gyrodyne, LLC's board of directors shall be liable to Gyrodyne, LLC or its members for monetary damages for breach of fiduciary duty as a director, except if a judgment or other final adjudication adverse to such director establishes that such director's acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law or that such director personally gained in fact a financial profit or other advantage to which he was not legally entitled or that his acts violated Sections 409(c) and 609 of the New York Limited Liability Company Law. If the New York Limited Liability Company Law hereafter is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of Gyrodyne, LLC, in addition to the limitation on personal liability provided in its Amended and Restated Limited Liability Company Agreement, shall be limited to the fullest extent permitted by the amended New York Limited Liability Company Law.

Amendment of Our Amended and Restated Limited Liability Company Agreement

Gyrodyne, LLC's board of directors will generally be able to make amendments to the Amended and Restated Limited Liability Company Agreement without the approval of the members of Gyrodyne, LLC, except for certain amendments described below.

Amendments that do not require a member vote include:

- a change in its name, the location of its principal place of business, its registered agent or its registered office;
- the admission, substitution, withdrawal or removal of members in accordance with its Amended and Restated Limited Liability Company Agreement;
- the merger of Gyrodyne, LLC or any of its subsidiaries into, or the conveyance of all of its assets to, a newly-formed entity if the sole purpose of that merger or conveyance is to effect a mere change in its legal form into another limited liability entity;
- a change that the Gyrodyne, LLC board of directors determines to be necessary or appropriate for it to continue as a company in which its members have limited liability under the laws of any state or to ensure that

neither it, its operating subsidiaries nor any of its respective subsidiaries will be treated as an association taxable as a corporation for federal income tax purposes other than as Gyrodyne, LLC specifically so designates;

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- an amendment that is necessary, in the opinion of its board of directors, based upon the advice of counsel, to prevent it, its board of directors or officers, agents or trustees from in any manner

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being subjected to the provisions of the Investment Company Act of 1940, the Investment Advisers Act of 1940, or "plan asset" regulations adopted under the Employee Retirement Income Security Act of 1974, or ERISA, whether or not substantially similar to plan asset regulations currently applied or proposed;

- an amendment that its board of directors determines to be necessary or appropriate for the authorization of additional securities, rights to acquire securities or rights with respect to its current securities;

- any amendment expressly permitted in its Amended and Restated Limited Liability Company Agreement to be made by its board of directors acting alone;

- an amendment effected, necessitated or contemplated by a merger agreement that has been approved under the terms of its Amended and Restated Limited Liability Company Agreement;

- any amendment that its board of directors determines to be necessary or appropriate for the formation by it of, or its investment in, any real estate or related interest, as otherwise permitted by its Amended and Restated Limited Liability Company Agreement;

- a change in its fiscal year or taxable year and related changes;

- the designation of a new tax matters partner;

- a merger, conversion or conveyance effected in accordance with its Amended and Restated Limited Liability Company Agreement; and

- any other amendments substantially similar to any of the matters described in the clauses above.

In addition, Gyrodyne, LLC's board of directors will be able to make amendments to its Amended and Restated Limited Liability Company Agreement without the approval of any member or assignee if our board of directors determines that those amendments:

- do not adversely affect the members (including treatment of shares compared to another member) in any material respect;

- are necessary or appropriate to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute;

- are necessary or appropriate to facilitate the trading of shares or to comply with any rule, regulation, guideline or requirement of any securities exchange on which the shares are or will be listed for trading, compliance with any of which its board of directors deems to be in the best interests of it and its members;

- are necessary or appropriate for any action taken by its board of members relating to splits or combinations of shares under the provisions of its Amended and Restated Limited Liability Company Agreement; or

- are required to effect the intent expressed in this proxy statement/prospectus, the intent of the Tax Liquidation, including the merger, or the intent of the provisions of its Amended and Restated Limited Liability Company Agreement or are otherwise contemplated by its Amended and Restated Limited Liability Company Agreement.

Holders of at least 75% of the outstanding Gyrodyne, LLC Shares would have to vote affirmatively in order to approve any amendment having the effects as described above.

Any other amendments to Gyrodyne, LLC's Amended and Restated Limited Liability Company Agreement would require written approval of the holders of the number of shares required to approve the amendment or call a meeting of its member to consider and vote upon the proposed amendment. Such amendment must be approved by holders of a majority of the total voting power of Gyrodyne, LLC Shares.

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Merger, Sale or Other Disposition of Assets

Gyrodyne, LLC's board of directors is generally prohibited, without the prior approval of holders of a majority of the outstanding Gyrodyne, LLC Shares, from causing it to, among other things, sell, exchange or otherwise dispose of all or substantially all of our assets in a single transaction or a series of related transactions, including by way of merger, consolidation or other combination, or approving on our behalf the sale, exchange or other disposition of all or substantially all of the assets of our subsidiaries, provided that its board of directors may mortgage, pledge, hypothecate or grant a security interest in all or substantially all of our assets without that approval. Gyrodyne, LLC's board of directors also may sell all or substantially all of our assets under a foreclosure or other realization upon the encumbrances above without that approval.

If the conditions specified in the Amended and Restated Limited Liability Company Agreement are satisfied, Gyrodyne, LLC's board of directors may merge the Company or any of its subsidiaries into, or convey all of its assets to, a newly-formed entity if the sole purpose of that merger or conveyance is to effect a mere change in our legal form into another limited liability entity, in each case without any approval of its members.

Termination and Dissolution

Gyrodyne, LLC will continue as a limited liability company until terminated under its Amended and Restated Limited Liability Company Agreement. Gyrodyne, LLC will dissolve upon: (1) the election of its board of directors to dissolve us, if approved by holders of a majority of the outstanding Gyrodyne, LLC Shares; (2) the sale, exchange or other disposition of all or substantially all of its assets; or (3) the entry of a decree of judicial dissolution.

Books and Reports

Gyrodyne, LLC is required to keep appropriate books of its business at its principal offices. The books will be maintained for both tax and financial reporting purposes on an accrual basis. For tax and financial reporting purposes, its fiscal year is the calendar year. Gyrodyne, LLC has agreed to use reasonable efforts to furnish to you tax information (including Schedule K-1) as promptly as possible, which describes your allocable share of its income, gain, loss and deduction for our preceding taxable year. In preparing this information, Gyrodyne, LLC will use various accounting and reporting conventions to determine your allocable share of income, gain, loss and deduction. Delivery of this information by Gyrodyne, LLC will be subject to delay in the event of, among other reasons, the late receipt of any necessary tax information from an investment in which it holds an interest. It is therefore possible that, in any taxable year, members of Gyrodyne, LLC will need to apply for extensions of time to file their tax returns.

Advance Notice Requirements for Member Proposals and Director Nominations.

Gyrodyne, LLC's Amended and Restated Limited Liability Company Agreement will provide advance notice procedures for members seeking to bring business before our annual meeting of members or to nominate candidates for election as at our annual meeting of members. Gyrodyne, LLC's Amended and Restated Limited Liability Company Agreement will also specify certain requirements regarding the form and content of a member's notice. These provisions might preclude our members from bringing matters before our annual meeting of members or from making nominations for directors at our annual meeting of members if the proper procedures are not followed. Gyrodyne, LLC expects that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of Gyrodyne, LLC.

Comparison of Rights of Gyrodyne Shareholders and Holders of Gyrodyne, LLC's Shares

Comparison of Certain Characteristics of a New York Corporation and a New York Limited Liability Company

The shareholders of Gyrodyne will become members of Gyrodyne, LLC, a newly-formed New York limited liability company. The following is a summary of certain differences between the provisions of the New York Business Corporation Law and the New York Limited Liability Company Law and the relevant

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sections of Gyrodyne's governing documents or Gyrodyne, LLC's amended and restated limited liability company agreement where those documents supersede the New York Business Corporation Law or the New York Limited Liability Company Law.

The following discussion summarizes the material differences between the current rights of Gyrodyne's shareholders and the rights they will have as Gyrodyne, LLC members when they receive Gyrodyne, LLC Shares in the merger but does not purport to be a complete statement of all such differences, or a complete description of the specific provisions referred to in this summary. The identification of specific differences is not intended to indicate that other equally or more significant differences do not exist. The following comparison of shareholders' rights is necessarily a summary and is not intended to be complete or to identify all differences that may, under given situations, be material to Gyrodyne, LLC members. This summary is qualified in its entirety by reference to New York Business Corporation Law, New York Limited Liability Company Law, Gyrodyne's Certificate of Incorporation, as amended, and By-laws and Gyrodyne, LLC's Articles of Organization and Amended and Restated Limited Liability Company Agreement. The New York Limited Liability Company Law generally permits greater flexibility in the conduct of a company's affairs in that in many instances it defers to the limited liability company agreement, which can vary the statutory requirements.

Capitalization

Gyrodyne's Certificate of Incorporation authorizes the issuance of 4,000,000 shares of Common Stock, par value $1.00. A change in the number of authorized shares would require an amendment to Gyrodyne's Certificate of Incorporation and shareholder approval. The Company's Certificate of Incorporation and By-laws and the New York Business Corporation Law describe the rights attributed to such shares.

Under the New York Limited Liability Company Law, there is no requirement that a company set forth the number and type of interests it is authorized to issue. Therefore, there is no restriction on the number of membership interests Gyrodyne, LLC may issue or on the characteristics and relative rights of such interests, except as may be provided in Gyrodyne, LLC's Limited Liability Company Agreement.

Preemptive Rights

Generally, the New York Business Corporation Law provides holders of the Company's common stock with the preemptive right to subscribe for any new or increased shares of the common stock issued by the board of directors unless such rights are specifically excluded in the Company's Certificate of Incorporation. The Amended and Restated Limited Liability Company Agreement that Gyrodyne intends to adopt prior to or concurrently with the consummation of the merger will specifically exclude any such preemptive rights.

Dissenters' Rights Generally

Generally, the New York Business Corporation Law and New York Limited Liability Company Law provides that, upon compliance with the applicable requirements and procedures, a dissenting shareholder has the right to receive the fair value of his or her shares if he or she objects to: (i) certain mergers, (ii) a consolidation, (iii) a disposition of assets requiring shareholder approval or (iv) certain amendments to the Certificate of Incorporation which adversely affect the rights of such shareholder.

Rights and Options

The New York Business Corporation Law requires shareholder approval of any plan pursuant to which rights or options are to be granted to directors, officers or employees. Neither the New York Limited Liability Company Law nor will Gyrodyne, LLC's Amended and Restated Limited Liability Company Agreement require member approval of such plans, although various other relevant legal considerations such as those contained in the Code and Exchange Act may make shareholder approval of certain rights or option plans necessary or desirable.

The Board

New York Business Corporation Law states that a company's board of directors must consist of one or more directors. The number of directors constituting Gyrodyne board of directors may be fixed by the by-laws, or by action of the shareholders or of the Gyrodyne board of directors under the specific

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provisions of a by-law adopted by the shareholders. Gyrodyne's By-laws provide that the number of board of directors all be determined by resolutions of Gyrodyne board of directors or by the shareholders at the annual meeting, but shall not be less than three (3) or more than nineteen (19). The Gyrodyne board of directors is divided into three (3) classes of directors serving staggered terms of office with each class to consist, as nearly as possible, of one-third of the total number of directors constituting the entire Gyrodyne board of directors. As of September 27, 2013, the Gyrodyne board of directors consists of six (6) directors.

New York Limited Liability Company Law provides that if the articles of organization provide that management of the limited liability company will be vested in a manager or managers or class or classes of managers, then the management of the limited liability will be vested in one or more managers, which may also be called directors. The articles of organization or operating agreement of a limited liability company may fix the number of directors. Gyrodyne, LLC's Amended and Restated Limited Liability Company Agreement will provide that the number of directors shall be determined only by resolution of the board of directors, but shall not be less than three (3) or more than seven (7). Following the consummation of the merger, it is expected that Gyrodyne, LLC will have six (6) directors.

Removal of Directors

The Company's By-laws permit the removal of a member of our board of directors at any time, but only for "cause," by an affirmative of two-thirds vote of our board of directors then in office or the shareholders at a special meeting called for that purpose.

Similarly, Gyrodyne, LLC's Amended and Restated Limited Liability Company Agreement will provide that a member of the board of directors may be removed only for "cause," as defined therein, by an affirmative of two-thirds vote of the outstanding Gyrodyne, LLC Shares.

Amending the Governing Documents

The New York Business Corporation Law provides that the Company's Certificate of Incorporation can be amended when authorized by a vote of the board of directors followed by a vote of holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders. Under certain circumstances, the holders of shares of a class must also authorize an amendment when that class would be adversely affected by such amendment. The Company's By-laws can be amended by a two-thirds vote of our board of directors when such amendment is proposed by a shareholder. When such amendment is proposed by our board of directors, it may be authorized by two-thirds vote of the shareholders or adopted by a two-thirds vote of our board of directors.

Gyrodyne, LLC's Amended and Restated Limited Liability Company Agreement will provide, generally, that it may be amended by vote of the majority of the board of directors.

Limitation on Liability of Directors and Officers; Indemnification

The Company's By-laws provide that if a director, officer or employee of the Company is made party to a civil or criminal action or proceeding in any matter arising out of the performance by such person of his duties for, on behalf of, or at the request of the Company, then the Company may, to the full extent permitted by law, advance to such person all sums necessary and appropriate to conduct their defense and indemnify such person for all sums paid by him, including attorneys' fees, in connection with the action.

Gyrodyne, LLC's Amended and Restated Limited Liability Company Agreement will provide, generally, that no directors or officers of Gyrodyne, LLC will be personally liable to Gyrodyne, LLC or any of Gyrodyne, LLC's members for any loss suffered by Gyrodyne, LLC due to an act or omission performed or omitted by such directors or officers unless such actions or omissions were in bad faith or involved intentional misconduct, a knowing violation of law or such director or officer gained financially from such act or omission. All directors and officers of Gyrodyne, LLC are entitled to indemnification from Gyrodyne, LLC for any loss, damage or claim, including attorneys' fees, suffered as a result of any act or omission by such director or officer, if his conduct did not constitute fraud, gross negligence, knowing breach of Gyrodyne, LLC's Limited Liability Company Agreement or willful or wanton misconduct. In the event such indemnification is found to be unenforceable as against public policy, Gyrodyne, LLC's Limited Liability Company Agreement provides for contribution among parties in accordance with their relative fault.

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Comparison of Rights of Holders of GSD Shares and Holders of Gyrodyne's LLC Shares

Distributed Interests

If the non-cash portion of the Special Dividend is paid in Distributed Interests constituting GSD Shares, such shares would have legal and economic characteristics identical to those of Gyrodyne, LLC Shares as set forth in "Proposal 1 — The Plan of Merger — Amended and Restated Limited Liability Company Agreement of Gyrodyne, LLC," except as t the management of GSD and the transferability and assignment of GSD Shares as described in this section.

GSD, LLC intends to adopt its Amended and Restated Limited Liability Company Agreement immediately prior to or concurrently with the consummation of the Special Dividend. For a more complete understanding of the Amended and Restated Limited Liability Company Agreement of GSD, LLC, we urge you to read carefully this proxy statement/prospectus, the Amended and Restated Limited Liability Company Agreement of GSD, LLC, a copy of which is attached to this proxy statement/prospectus as Annex G, and the other documents referred to herein (including the annexes).

Management

At the time of the Special Dividend through the latest of December 31, 2014, the date of termination of the Plan of Merger and the date up on which all required actions have been taken under applicable law to permit unrestricted transferability thereof, GSD will be managed by Gyrodyne, which will own all interests in GSD other than the Distributed Interests. The percentage interest in GSD represented by the Distributed Interests currently is anticipated to constitute approximately two-thirds of the equity interest in GSD. The fixed percentage interest represented by the Distributed Interests will be announced prior to their distribution, following completion of additional valuation work by Gyrodyne.

Transferability and Assignment

GSD Shares will be recorded on the books of GSD but will not be certificated and at the time of the Special Dividend through the latest of December 31, 2014, the date of termination of the Plan of Merger and the date up on which all required actions have been taken under applicable law to permit unrestricted transferability thereof, such interests will be recorded on the books of GSD but may not be assigned or transferred, voluntarily or involuntarily, by the registered holder and will not be listed on any exchange. Any attempted assignment or transfer driving this period shall be void, except as provided in the following sentence, in which case the Distributed Interests may be transferred only on the books of GSD. GSD will permit transfers pursuant to the laws of bankruptcy, inheritance, descent or distribution, or to the successor to any holder that is a corporate or other entity. If a transfer is requested, GSD may require a holder, among other things, to furnish appropriate endorsements and transfer documents, and GSD may require a holder to pay any taxes and fees required by law.

Structure and Completion of the Merger

Capital Stock

Upon the effectiveness of the merger, holders of shares of Common Stock of Gyrodyne and GSD Shares will receive common shares representing limited liability company interests in Gyrodyne, LLC, which we refer to in this proxy statement/prospectus as "Gyrodyne, LLC Shares." Each share of Common Stock will be converted into such number of validly issued common shares of Gyrodyne, LLC as shall be determined by the Board of Directors of Gyrodyne and announced at least ten days prior to the annual meeting and each common share of GSD will be converted into such number of validly issued common shares of Gyrodyne, LLC as shall be determined by the Board of Directors of Gyrodyne and announced at least ten days prior to the annual meeting, whereupon holders of such shares automatically will be admitted to Gyrodyne, LLC as members.

The Plan of Merger provides that each share of Gyrodyne Common Stock owned by Gyrodyne as treasury stock will be automatically converted without any other consideration into a Gyrodyne, LLC Share. Shares of Gyrodyne Common Stock owned by shareholders with respect to which statutory appraisal has been

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properly demanded under New York law, unless the holder will have failed to perfect or will have effectively withdrawn or lost rights to statutory appraisal, will be cancelled. Such shareholders will instead be entitled to the statutory appraisal rights provided under New York law as described in this proxy statement/prospectus under the section titled "— Statutory Appraisal Rights to Transactions Contemplated by the Merger" and "Statutory Appraisal Rights to Transactions Contemplated by Proposal 1." If, after completion of the merger, any shareholder fails to perfect, or effectively withdraws or loses, his, her or its demand for statutory appraisal, such shareholder's shares will be deemed to have been converted into and become exchangeable for, as of the effective time, Gyrodyne, LLC Shares.

The Plan of Merger provides that each limited liability company interest in Gyrodyne, LLC issued and outstanding immediately prior to the effective time will cease to be outstanding, will be automatically canceled and retired, and each person or entity that was a member of Gyrodyne, LLC immediately prior to the merger will automatically cease to be a member of Gyrodyne, LLC. Any consideration paid by a member of Gyrodyne, LLC prior to the merger for any Gyrodyne, LLC Shares shall be returned to such member in connection with such cancelation and retirement.

Gyrodyne Incentive Arrangements, Benefit Plans and Pension Plans

Consummation of the merger will not trigger any payments to participants under the Incentive Compensation Plan or under its executive employment agreements. The Incentive Compensation Plan's definition of "change-in-control", which is a trigger for payments, contains an explicit exclusion for any merger in which "the Company's shareholders immediately before the merger own immediately following the merger at least 70% of the combined voting power of the Company's outstanding securities." Immediately following consummation of the merger, the shareholders of the Company will own 100% of the outstanding post-merger shares of Gyrodyne, LLC. Although shareholders have statutory appraisal rights to obtain the "fair value" of their shares of Common Stock, it is a condition to the completion of the Plan of Merger that holders of fewer than 5% of the outstanding shares of Common Stock shall have perfected their appraisal rights. Similarly, the $125,000 bonus payable upon a "change-in-control" under the employment agreement of each of Mr. Braun and Mr. Fitlin, our Chief Executive Officer and Chief Financial Officer, respectively, will not be triggered upon consummation of the merger. "Change-in-control" is defined in these agreements as either a change in ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, as such terms are defined in Section 409A of the Code.

It is the current intent of the board of directors that Gyrodyne, LLC will operate with a business plan to dispose of its current real property. Proceeds of such dispositions will be used to settle any claims, pending or otherwise, against Gyrodyne and to make distributions to holders of Gyrodyne, LLC Shares. When all properties of Gyrodyne, LLC are disposed of, it is intended Gyrodyne, LLC will dissolve and a final distribution will be made. Such dispositions may trigger payments under the Incentive Compensation Plan either because of the magnitude of the post-disposition dividend or because a disposition constitutes a "change-in-control." See "Background; The Tax Liquidation — Interests of Our Directors and Executive Officers." Similarly, the $150,000 "change-in-control" bonuses contained in the employment agreements of Messrs. Braun and Fitlin will be triggered by the implementation of the intended plan to dispose of the Company's current real property if one person, or more than one person acting as a group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Company immediately before such acquisition or acquisitions.

Exchange of Stock Certificates

Upon the effectiveness of the merger, each certificate (or evidence of shares in book-entry form) representing shares of Gyrodyne Common Stock will be deemed for all purposes to represent the same number of shares of such series of Gyrodyne, LLC Shares into which such shares will be converted and exchanged in the merger, without any action on the part of shareholders.

At the completion of the merger, Gyrodyne will close its stock transfer books, and no subsequent transfers of Gyrodyne Common Stock will be recorded on its books.

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Representations and Warranties

The Plan of Merger contains representations and warranties by Gyrodyne and Gyrodyne, LLC. These representations and warranties have been made solely for the benefit of the other party to the Plan of Merger and (i) have been qualified by disclosures that were made to the other party in connection with the entry into the Plan of Merger, which disclosures may not be reflected in the Plan of Merger; (ii) may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and (iii) were made only as of the date of the Plan of Merger or such other date or dates as may be specified in the Plan of Merger and are subject to more recent developments which may not be publicly disclosed. Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time.

The representations and warranties made by both Gyrodyne and Gyrodyne, LLC relate to, among other things, (i) corporate organization, standing and similar corporate matters; (ii) capital structure; and (iii) approval and authorization of the Plan of Merger.

Indemnification

The Plan of Merger provides that, upon the effective time of the merger, Gyrodyne, LLC will, to the fullest extent permitted by law and as provided in the governance documents of Gyrodyne and any of its subsidiaries immediately prior to the effective time, indemnify and hold harmless, and provide the advancement and reimbursement of reasonable expenses to, all past and present directors and officers of Gyrodyne or any of its subsidiaries.

Closing

The closing of the merger will take place at such time, date and place as Gyrodyne, GSD and Gyrodyne, LLC may agree but in no event will the closing occur prior to (i) the satisfaction or, to the extent not prohibited by law, waiver of the conditions set forth in the Plan of Merger (other than conditions that by their nature are to be satisfied at the closing, but subject to the satisfaction or, to the extent not prohibited by law, waiver of those conditions) (see "— Conditions to Completion of the Merger") and (ii) a date that is at least twenty days after the mailing of their proxy statement/prospectus (which constitutes the notice of statutory appraisal rights). No appraisal or dissenters' rights are available to holders of GSD Shares in connection with the Plan of Merger. See "— Statutory Appraisal Rights" and "Statutory Appraisal Rights to Transactions Contemplated by Proposal 1." The merger will become effective at the time the certificate of merger is filed with the Secretary of State of the State of New York or at such later time as is specified in the certificate of merger.

Recommendation of Our Board of Directors; Reasons for the Plan of Merger

Board of Directors' Recommendation regarding the Plan of Merger

Our board of directors unanimously determined that it is in the best interests of the Company, and declared it advisable, to enter into the Plan of Merger. Our board of directors recommends that Gyrodyne shareholders vote "FOR" the proposal to authorize the Plan of Merger and the transactions contemplated thereby.

Reasons for the Plan of Merger

Our board of directors believes that authorization of the Plan of Merger and the transactions contemplated thereby will provide the most effective method of accomplishing the Tax Liquidation. If the proposal to authorize the Plan of Merger and the transactions contemplated thereby is approved, then, pursuant to the Plan of Merger and in accordance with New York law, each of Gyrodyne and GSD would be merged with and into Gyrodyne, LLC, whereupon the separate corporate existence of each of Gyrodyne and GSD will cease and Gyrodyne, LLC will be the surviving entity of the merger.

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The following list contains some of the factors that our board of directors considered in connection with its adoption of and entry into the Plan of Merger:

- the ability to make a distribution such as the Special Dividend in 2013 with return of capital tax treatment to Gyrodyne shareholders pursuant to the PLR and the possibility of accomplishing the Tax Liquidation in 2013;

- the ability of Gyrodyne shareholders to retain an interest in a tradable equity security.

- the extensive process in which the Company engaged to explore its strategic alternatives and our inability to find a strategic buyer for the Company, to find a purchaser for our existing assets or to identify an appropriate alternative to reinvest our cash resources in a manner that provided an acceptable level of return, in light of the related risks and the need to maintain a management structure capable of identifying and implementing such reinvestments, thereby indicating a low probability that we would be presented with or otherwise identify, within a reasonable period of time under current circumstances, any viable opportunities to engage in an attractive alternative transaction;

- the substantial accounting, legal and other expenses associated with being a small publicly-traded company in light of our expected revenues;

- the terms and conditions of the Plan of Merger, including that our board of directors may abandon the transactions contemplated thereby in the event that it determines that, in light of new proposals presented or changes in circumstances, the merger is not advisable and in the best interests of the Company and its shareholders;

- the fact that the New York Business Corporation Law requires that the Plan of Merger be approved by the affirmative vote of holders of two-thirds of all outstanding shares of Common Stock entitled to vote thereon; and

- our shareholders are entitled to exercise appraisal rights in the event the Plan of Merger is authorized and a shareholder does not wish to hold Gyrodyne, LLC Shares. See “— Statutory Appraisal Rights to Transactions Contemplated by the Plan of Merger” and “Statutory Appraisal Rights to Transactions Contemplated by Proposal 1.”

Our board of directors also identified and considered potentially negative factors involved in the merger of the Company pursuant to the Plan of Merger, including the following:

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- the fact that, although tradable, the interests in Gyrodyne, LLC may not be listed for trading on NASDAQ and may be illiquid;

- the fact that we expect to incur costs to complete the merger and other merger-related transactions, including that a substantial amount of such costs will be incurred by us whether or not the merger is completed;

- the diversion of our management's time and attention away from the day-to-day operations of our businesses; and

- the fact that the expected benefits of the merger may not be realized for a variety of reasons, including as a result of authorities disagreeing with our conclusions on the tax treatment of the merger or changing applicable tax laws and regulations with potentially retroactive effect.

The foregoing discussion of the information and positive and negative factors considered and given weight by our board of directors is not intended to be exhaustive. The members of our board of directors considered their knowledge of our business, financial condition and prospects, and the views of management and our financial and legal advisors. In view of the variety of factors considered, our board of directors did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determinations and recommendations. In addition, individual members of our board of directors may have given different weights to different factors.

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Each of Gyrodyne, LLC and GSD is currently wholly-owned and managed by Gyrodyne, as its sole equity holder and member. Accordingly, no separate evaluation for the merger by the sole member of Gyrodyne, LLC or GSD was required and the sole member of each of Gyrodyne, LLC and GSD expressly adopts the conclusions and recommendations of our board of directors described in this proxy statement/prospectus.

Your approval of the Plan of Merger will constitute your approval of all of the transactions contemplated thereby, including the merger and the Amended and Restated Limited Liability Company Agreement of Gyrodyne, LLC.

Vote Required for Approval

Pursuant to Section 903 of the New York Business Corporation Law, the proposal will be approved if it is authorized by the affirmative vote of at least two-thirds of all outstanding shares of Gyrodyne Common Stock entitled to vote thereon.

Statutory Appraisal Rights to Transactions Contemplated by the Plan of Merger

If the Plan of Merger is authorized and implemented, holders of shares of Common Stock who did not vote for the Plan of Merger and who timely dissent and follow the procedures in Sections 623 and 910 of the New York Business Corporation Law set forth in Annex E to this proxy statement/prospectus (“Dissenting Holders”) will have certain rights to demand payment for the “fair value” of their shares of Common Stock to the extent and on the basis provided in Sections 623 and 910. Failure to follow precisely any required procedure on a timely basis may result in the loss of those rights. Dissenting Holders receiving payment pursuant to those rights would not also be entitled to receive Gyrodyne, LLC Shares. See “Statutory Appraisal Rights to Transactions Contemplated by Proposal 1.”

OUR BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE “FOR” THE PLAN OF MERGER. THIS IS IDENTIFIED AS ITEM 1 ON THE ENCLOSED PROXY CARD.

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PROPOSAL 2: ELECTION OF DIRECTORS

The By-laws of the Company provide that there shall be not less than three (3), nor more than nineteen (19), directors. Our board of directors is divided into three (3) classes of directors serving staggered terms of office with each class to consist, as nearly as possible, of one-third of the total number of directors constituting our entire board of directors. Upon the expiration of the term of office for a class of directors, the nominees for that class will stand for election to three-year terms to serve until the election and qualification of their successors. At the annual meeting, two (2) directors of the Company are to be elected to three-year terms, each to serve until his successor is elected and has been qualified. Our board of directors of the Company has nominated Ronald J. Macklin and Philip F. Palmedo to three-year terms, upon the recommendation of our Nominating Committee. Both nominees are members of our present board of directors of the Company, with terms expiring at the annual meeting. Each properly executed proxy card received will be voted in accordance with the instruction given thereon. Where no instructions are indicated, proxies will be voted “FOR” the election of the foregoing two (2) nominees as directors to serve three-year terms or until their respective successors shall be elected and shall qualify. The nominees have consented to be named as nominees in this proxy statement/prospectus and to serve as directors if elected.

Should any nominee become unable or unwilling to accept a nomination for election, the persons named in the enclosed proxy card will vote for the election of a nominee designated by our board of directors.

(a)

- Information concerning the nominees and continuing directors of the Company, showing the principal occupation, year when first elected as a director of the Company, and term of office, is as follows:

Name & Principal Occupation or Employment	Age	First Became a Director	Current Board Term Expires
Nominees for Election			
Ronald J. Macklin	51	2003	2013
Vice President and Deputy General Counsel, National Grid			
Director of the Company			
Philip F. Palmedo	79	1996	2013
President of Palmedo Associates			
Director of the Company			
Continuing Directors			