

GYRODYNE CO OF AMERICA INC

Form PRER14A

June 26, 2014

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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

(Amendment No. 3)

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):

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- 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:

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- Total fee paid:

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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 21, 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 JUNE 25, 2014

PROXY STATEMENT OF GYRODYNE COMPANY OF AMERICA, INC.

One Flowerfield, Suite 24  
Saint James, New York 11780  
PROSPECTUS OF GYRODYNE, LLC  
1,482,680 common shares

Dear Shareholders:

I cordially invite you to a special 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 August 14, 2014, at 11:00 a.m., Eastern Time. At the special meeting, we will ask you to authorize a plan of merger and the transactions contemplated thereby, including the merger of Gyrodyne and Gyrodyne Special Distribution, LLC with and into a limited liability company, Gyrodyne, LLC. Shareholders of record at the close of business on June 30, 2014, will be entitled to vote at the special meeting or its adjournment or postponement, if any.

Gyrodyne has had a 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 permitted Gyrodyne to distribute, by means of a special dividend, the approximately \$98,685,000 in 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. On September 12, 2013 and further to such goal, 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. In adopting a plan of liquidation within the meaning of the Internal Revenue Code, for federal income tax purposes, our board of directors also determined to pursue the actual disposition of Gyrodyne's remaining assets in an orderly manner designed to obtain the best value reasonably available for such assets. The completion of the merger would complete the liquidation for tax purposes even though the actual disposition of the properties within the same period had not necessarily occurred. Our board of directors believed that the prompt completion of the liquidation for tax purposes by means of the merger while permitting a longer period to dispose of the remaining assets would help obtain better values by enabling the sales to take place without the potential timing constraints created by completing the merger as promptly as practicable. In addition, the ability to extend the time of holding the properties would permit Gyrodyne to seek enhancements of the value of Flowerfield including by pursuing various development or zoning opportunities. The first of two special dividends was paid on December 30, 2013 to shareholders of record as of November 1, 2013 in the form of \$68,000,000, or \$45.86 per share, in cash, and nontransferable interests in a newly formed New York limited liability company, Gyrodyne Special Distribution, LLC, valued at \$30,685,000, or \$20.70 per share. Gyrodyne Special Distribution, LLC was formed to hold Gyrodyne's properties in Flowerfield as well as its medical office buildings in Port Jefferson Station, New York, Cortlandt Manor, New York and Fairfax, Virginia. The transfer of such properties by Gyrodyne to Gyrodyne Special Distribution, LLC in December 2013 resulted in the recognition of approximately \$28.4 million of capital gain income by Gyrodyne in 2013. Giving effect to offsetting deductions, Gyrodyne had approximately \$18 million in REIT income for 2013. In order to satisfy applicable REIT distribution requirements, Gyrodyne declared the second special dividend in December 2013 to shareholders of record as of December 31, 2013. The second special dividend was paid on January 31, 2014 in the form of nontransferable

dividend notes aggregating \$16,150,000 (or \$10.89 per share) in principal amount.

The plan of merger is designed to facilitate the liquidation of Gyrodyne for federal income tax purposes and to reassemble as equity interests in Gyrodyne, LLC, the interests in Gyrodyne Special Distribution, LLC distributed in the first special dividend, the dividend notes issued in the second special dividend and the common shares of Gyrodyne, thereby resulting in a simplified capital structure and permitting holders of nontransferable interests in Gyrodyne Special Distribution, LLC and holders of nontransferable dividend notes as well as Gyrodyne shareholders to receive freely transferable common shares of Gyrodyne, LLC, the entity that will hold and operate the Flowerfield, Port Jefferson, Cortlandt Manor and Fairfax properties, pending their sale or other disposition. In essence, having made the first special dividend to achieve the benefits of the private letter ruling and the second special dividend to make a required distribution of 2013 REIT income, the merger will effect the final step in the plan of liquidation within the meaning of the Internal Revenue Code, while simplifying the corporate structure and interrelationships of Gyrodyne and Gyrodyne Special Distribution, LLC. Based on the number of common shares of Gyrodyne outstanding on June 30, 2014, the record date, Gyrodyne expects to issue approximately 1,482,680 common shares of Gyrodyne, LLC in connection with the merger. The common shares of Gyrodyne, LLC are intended to become publicly traded on NASDAQ under the symbol "GYRO." No assurance can be given that NASDAQ will permit trading of the common shares of Gyrodyne, LLC. The merger, which will effect the completion of the plan of liquidation for purposes of the Internal Revenue Code, will result in holders of Gyrodyne common stock receiving approximately 15.2% of the common shares of Gyrodyne, LLC in the aggregate (0.152 common shares of Gyrodyne, LLC per share of Gyrodyne common stock, or an aggregate of 225,367 common shares of Gyrodyne, LLC), holders of nontransferable dividend notes receiving approximately 29.2% of the common shares of Gyrodyne, LLC in the aggregate (0.292 common shares of Gyrodyne, LLC per \$10.89 principal amount Dividend Note and accrued interest thereon, or an aggregate of 432,943 common shares of Gyrodyne, LLC), and holders of nontransferable interests in Gyrodyne Special Distribution, LLC receiving approximately 55.6% of the common shares of Gyrodyne, LLC in the aggregate (0.556 common shares of Gyrodyne, LLC per GSD interest, or an aggregate of 824,370 common shares of Gyrodyne, LLC), subject to adjustment in the discretion of the Gyrodyne board of directors. In addition, shareholders will consider such other matters as may properly come before the meeting. Our board of directors believes that the proposal being submitted for shareholder action is in the best interests of Gyrodyne and its shareholders and recommends a vote "FOR" the proposal.

This proxy statement/prospectus is the proxy statement of Gyrodyne Company of America, Inc. for the special meeting and also the prospectus of Gyrodyne, LLC for the common shares representing limited liability company interests in Gyrodyne, LLC that will be issued to Gyrodyne shareholders, holders of nontransferable dividend notes and holders of nontransferable interests in Gyrodyne Special Distribution, LLC, in connection with the merger, if it is implemented. This proxy statement/prospectus contains information about the special meeting and will serve as your guide to the matters on which you will be asked to vote. In particular, you should carefully read the section captioned "Risk Factors" beginning on page [•] for a discussion of certain risk factors relating to the merger.

Your vote is very important to us and it is important that your shares be represented at the special 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 special 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.

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 [•], 2014 and is first being mailed to shareholders on or about [•], 2014.

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NOTICE OF SPECIAL MEETING OF SHAREHOLDERS  
to be held on August 14, 2014

One Flowerfield, Suite 24  
Saint James, New York 11780

NOTICE IS HEREBY GIVEN, pursuant to the by-laws, that a special meeting of shareholders (the “special 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 August 14, 2014, at 11:00 a.m., Eastern Time.

At the special meeting, shareholders will be asked to consider and vote upon a proposal to authorize a proposed Plan of Merger (as described below) and the transactions contemplated thereby under the New York Business Corporation Law, including the merger of Gyrodyne and Gyrodyne Special Distribution, LLC (“GSD”) into Gyrodyne, LLC (“Gyrodyne, LLC”) (the “Proposal”), and to transact such other business as may properly come before the special meeting or any adjournment thereof.

Our board of directors unanimously recommends that you vote “FOR” the Proposal.

The proposal 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 June 30, 2014 as the record date for determining shareholders entitled to receive notice of, and to vote at, the special meeting or any adjournment or postponement thereof. In addition to this notice, enclosed in this mailing are the proxy statement/prospectus, proxy card and attendance registration form.

To obtain an admittance card for the special 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 special meeting so you can avoid registration and proceed directly to the special meeting. However, if you do not have an admittance card by the time of the special meeting, please bring proof of share ownership to the registration area where our staff will assist you.

**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 THE proposal. If you abstain from voting, your abstention will have the same effect as a “no” vote for purposes of determining whether approval of THE proposal has been obtained. ACCORDINGLY, WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL 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 SPECIAL MEETING, BUT WILL HELP ASSURE A QUORUM AND AVOID FURTHER PROXY SOLICITATION COSTS. ATTENDANCE AT THE SPECIAL 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

[•], 2014

In addition to delivering the proxy materials for the special meeting to shareholders by mail, this proxy statement/ prospectus also is available at [http:// www.gyrodyn.com/ proxy.php](http://www.gyrodyn.com/proxy.php)

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REFERENCES TO ADDITIONAL INFORMATION

This document incorporates by reference important business and financial information about Gyrodyne from documents that it has filed with the SEC but that are not being included in or delivered with this document. The SEC allows us to “incorporate by reference” information into this proxy statement/prospectus, which means that we can disclose important information to you by referring you to other documents filed separately with the SEC. The information incorporated by reference is deemed to be part of this proxy statement/prospectus, except for any information superseded by information in this proxy statement/prospectus or incorporated by reference subsequent to the date of this proxy statement/prospectus. This proxy statement/prospectus incorporates by reference the documents set forth below that we have previously filed with the SEC. These documents contain important information about us and our financial condition and are incorporated by reference into this proxy statement/prospectus.

The following Gyrodyne filings with the SEC are incorporated by reference:

- 
- Gyrodyne’s Annual Report on Form 10-K for the fiscal year ended December 31, 2013;
- 
- Gyrodyne’s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2014; and
- 
- Gyrodyne’s Current Reports on Form 8-K dated December 27, 2013, January 2, 2014, January 10, 2014 and March 18, 2014.

Information furnished under Items 2.02 or 7.01 (or corresponding information furnished under Item 9.01 or included as an exhibit) in any past or future current report on Form 8-K that we file with the SEC, unless otherwise specified in such report, is not incorporated by reference in this proxy statement/prospectus, nor are any other documents or information that is deemed to have been “furnished” and not “filed” with the SEC.

We also incorporate by reference into this proxy statement/prospectus additional documents that we may file with the SEC between the date of this proxy statement/prospectus and the date of the special meeting. These documents include periodic reports, such as Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, as well as Current Reports on Form 8-K and proxy soliciting materials.

You may read and copy any reports, statements or other information that we file with the SEC at the SEC’s public reference room at the following location: Station Place, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You also may obtain copies of those documents at prescribed rates by writing to the Public Reference Section of the SEC at that address. Please call the SEC at (800) SEC-0330 for further information on the public reference room. These SEC filings also are available to the public from commercial document retrieval services and at [www.sec.gov](http://www.sec.gov). In addition, shareholders may obtain free copies of the documents filed with the SEC by Gyrodyne through the Investor Relations section of our website, [www.gyrodyne.com](http://www.gyrodyne.com), and the “SEC Filings” tab therein. The information provided on our website is not part of this proxy statement/prospectus, and therefore is not incorporated by reference herein.

You also may obtain any of the documents we file with the SEC, without charge, by requesting them in writing or by telephone from us at the following address:

Gyrodyne Company of America, Inc.

Attn: Investor Relations

One Flowerfield, Suite 24

Saint James, New York 11780

Telephone: (631) 584-5400

Facsimile: (631) 584-7075

If you would like to request documents from us, please do so by [•], 2014, to receive them before the special meeting. If you request any documents from us, we will mail them to you by first class mail, or another equally prompt method,

within one business day after we receive your request.

If you have any questions concerning the special meeting, the proposal to be considered at the special 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 Gyrodyne Common Stock, please contact our proxy solicitor: MacKenzie Partners, Inc., toll-free at 1-800-322-2885.

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**ABOUT THIS DOCUMENT**

Gyrodyne has supplied all information contained in, or incorporated by reference into, this proxy statement/prospectus relating to Gyrodyne. Gyrodyne, LLC has supplied all information contained in or incorporated by reference into this proxy statement/prospectus relating to Gyrodyne, LLC. GSD has supplied all information contained in, or incorporated by reference into, this proxy statement/prospectus relating to GSD. Each of Gyrodyne, Gyrodyne, LLC and GSD have contributed information relating to the transactions contemplated herein, including the merger.

This proxy statement/prospectus forms a part of a registration statement on Form S-4 (Registration No. 333-191820) filed by Gyrodyne, LLC with the SEC. It constitutes a prospectus of Gyrodyne, LLC under Section 5 of the Securities Act, with respect to the common shares representing limited liability company interests in Gyrodyne, LLC to be issued to holders of (i) Gyrodyne common stock, (ii) GSD common shares and (iii) Dividend Notes in the merger. It also constitutes a proxy statement under Section 14(a) of the Exchange Act and a notice of special meeting and action to be taken with respect to the Gyrodyne special meeting of shareholders at which Gyrodyne shareholders will consider and vote on the proposal to adopt the merger agreement and to authorize the transactions contemplated by the merger agreement, including the merger.

You should rely only on the information contained in or incorporated by reference into this document. No one has been authorized to provide you with information that is different from that contained in or incorporated by reference into this document. This document is dated [•], 2014. You should not assume that the information contained in this document is accurate as of any date other than the date hereof. You should not assume that the information contained in any document incorporated by reference herein is accurate as of any date other than the date of such document. Any statement contained in a document incorporated or deemed to be incorporated by reference into this document will be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference into this document modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this document. Neither the mailing of this document to the shareholders of Gyrodyne, nor the taking of any actions contemplated hereby by Gyrodyne, Gyrodyne, LLC or GSD at any time will create any implication to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction in which or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.

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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 special 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 [•], 2014 and is first being mailed to shareholders on or about [•], 2014.

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

Gyrodyne, a self-managed and self-administered real estate investment trust (or 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. Prior to the payment of the First Special Dividend described below, Gyrodyne owned 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.” Prior to payment of the First Special Dividend described below, Gyrodyne also owned medical office buildings in Port Jefferson Station, New York, Cortlandt Manor, New York and Fairfax, Virginia. Gyrodyne is also a limited partner in Callery Judge Grove, L.P., the only assets of which consist of potential future payments upon the achievement of certain development benchmarks by the purchaser in the 2013 sale by the partnership of an undeveloped 3,700 plus acre property in Palm Beach County, Florida. The shares of common stock of Gyrodyne, par value \$1.00 per share (“Gyrodyne Common Stock”), are 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 (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, was formed on October 15, 2013 in connection with the transactions contemplated by the Plan of Liquidation and the Plan of Merger. As part of an internal restructuring, all of Gyrodyne’s real estate assets were contributed to GSD in December 2013. As part of the First Special Dividend (as described below), all of the economic interest in GSD was distributed to the shareholders of Gyrodyne. Gyrodyne is the managing member of GSD. 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.

Risk Factors (see page •)

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

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statement/prospectus by reference, you should carefully consider the information about these risks set forth under “Risk Factors” beginning on page [•], together with the other information included or incorporated by reference in this proxy statement. These risks include, without limitation, the following:

- 
- If our shareholders do not authorize the Plan of Merger, we may encounter difficulties in our business operations;
- 
- If the Merger is consummated, we cannot assure you of the exact timing and amount of any distribution to our shareholders;
- 
- 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;
- 
- We may be the potential target of a reverse acquisition or other acquisition;
- 
- Our directors and executive officers may have interests that are different from, or in addition to, those of our shareholders generally;
- 
- Tax treatment of liquidating distributions may vary from shareholder to shareholder;
- 
- The corporate structure and interrelationships of Gyrodyne and GSD present risks of conflicts between the entities and their equity holders as long as they are operated as separate entities; and
- 
- Conflicts of interest may exist between the shareholders of Gyrodyne and the holders of Dividend Notes.

The Special Meeting (see page •)

Date, Time and Place

The special meeting will be held at Flowerfield Celebrations, Mills Pond Road, Saint James, New York 11780 on August 14, 2014, at 11:00 a.m., Eastern Time.

Purpose

At the special meeting, shareholders will be asked to consider and vote upon a proposal to authorize a proposed Plan of Merger and the transactions contemplated thereby under the New York Business Corporation Law, including the merger of Gyrodyne and GSD into Gyrodyne, LLC (the “Proposal”), and to transact such other business as may properly come before the special meeting or any adjournment thereof.

**Record Date; Stock Entitled to Vote; Quorum**

All shareholders who hold shares of Gyrodyne Common Stock of record at the close of business on June 30, 2014 (the “record date”) are entitled to notice of and to vote at the special meeting. Each share of Gyrodyne Common Stock issued and outstanding on the record date is entitled to one vote at the special meeting on the proposal presented.

Shareholders do not have cumulative voting rights. A quorum will be present at the special meeting if a majority of the outstanding Gyrodyne Common Stock entitled to vote at the special meeting are represented in person or by proxy. On the record date, [1,482,680] shares of Gyrodyne Common Stock were issued and outstanding and held by [1,540] holders of record. On such date, [46,625] shares of Gyrodyne Common Stock were held by our directors, executive officers and their affiliates. This proxy statement/prospectus and the enclosed proxy card were mailed starting on or about [•], 2014.

**Vote Required**

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

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The Company has not sought nor does it intend to seek a vote on the Plan of Liquidation because it is effecting a liquidation for tax purposes. Although effecting a liquidation for tax purposes is a byproduct of the Merger (a merger of a corporation into a LLC is a liquidation for tax purposes), it does not require a separate shareholder vote under either New York Business Corporation Law or federal tax law. If the Merger is not authorized by its shareholders, Gyrodyne could seek a shareholder vote regarding a plan of dissolution under New York Business Corporation Law to effect the Plan of Liquidation, but the Company has no current plans to do so. As a result, in this proxy statement/prospectus, the Company is neither seeking a vote on the Plan of Liquidation (i.e., the liquidation for tax purposes) nor a dissolution under New York Business Corporation Law, rather shareholders are only voting on the proposal to authorize a proposed Plan of Merger and the transactions contemplated thereby under New York Business Corporation Law, including the merger of Gyrodyne and GSD into Gyrodyne, LLC.

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" the proposal 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 Proposal 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 the Proposal.

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 September 12, 2013, our board of directors adopted a Plan of Liquidation and Dissolution (the "Plan of Liquidation"). In adopting the Plan of Liquidation for federal income tax purposes, our board of directors also determined to pursue the actual disposition of our remaining assets in an orderly manner designed to obtain the best value reasonably available for such assets. The completion of the merger would 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") even though the actual disposition of the properties within the same period had not necessarily occurred. Our board of directors believed that the prompt completion of the Tax Liquidation by means of the merger while permitting a longer period to dispose of the remaining assets would help obtain better values by enabling the sales to take place without the potential timing constraints created by completing the merger as promptly as practicable. In addition, the ability to extend the time of holding the properties would permit Gyrodyne to seek enhancements of the value of Flowerfield including by pursuing various development or zoning opportunities. In this proxy statement/prospectus, we refer to such liquidation as the "Tax Liquidation."

The First Special Dividend (see page •)

On September 13, 2013, our board of directors declared the First 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, was to be paid in cash. On such date, the Company announced that the balance of the First Special Dividend



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(\$30,685,000) was payable in the form of cash proceeds from any further asset dispositions effected prior to payment of the dividend, Dividend Notes (as described below), interests in Gyrodyne, LLC or any other limited liability company to which Gyrodyne might transfer its remaining assets (or into which it may merge), or a combination of such forms at the discretion of our board of directors. Distribution of non-cash consideration was necessary because the Company did not have sufficient cash on hand to cover the full amount of the First Special Dividend.

In connection with the First 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 First 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 First 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 (if issued in an amount not exceeding the non-cash portion of the First Special Dividend)); (ii) we will be able to pay our debts (including our respective stated liabilities, identified contingent liabilities and the Dividend Notes (if issued in an amount not exceeding the non-cash portion of the First Special Dividend)), as such debts mature or otherwise become absolute or due; and (iii) we do not have unreasonably small capital.

On December 19, 2013, our board of directors determined that the non-cash portion of the First Special Dividend would be paid by distribution of all of the equity interests in GSD and determined that, after consideration of a management presentation regarding the fair market value of the properties to be transferred to GSD, the aggregate value of the outstanding common membership interest of GSD (“GSD Interests”) to be distributed as the First Special Dividend was \$30,685,000 (an amount determined by our board of directors to be equal to the estimated fair market value of the properties, net of all liabilities encumbering such properties, including an aggregate of approximately \$14,000,000 in mortgages payable to a subsidiary of Gyrodyne). Gyrodyne contributed to GSD 100 percent economic interest in all of Gyrodyne’s real estate properties (subject to liabilities encumbering such properties, including such mortgages): Flowerfield and the medical office buildings in Port Jefferson Station, New York, Cortlandt Manor, New York and Fairfax, Virginia. We refer to such properties as the Contributed Properties.

The First Special Dividend was paid on December 30, 2013 to shareholders of record as of November 1, 2013. As required by NASDAQ rules governing special dividends of this magnitude, the ex-dividend date was set one business day following the payment date.

The Second Special Dividend (see page •)

The transfer of the Contributed Properties by Gyrodyne to GSD resulted in the recognition of approximately \$28.4 million of capital gain income by Gyrodyne in 2013. Giving effect to offsetting deductions, Gyrodyne determined that it would have approximately \$18 million in REIT income for 2013. In order to satisfy applicable REIT distribution requirements, on December 20, 2013, Gyrodyne declared an additional dividend (the Second Special Dividend), payable to Gyrodyne shareholders of record as of December 31, 2013 on January 31, 2014. The Second Special Dividend was paid in the form of interests in a global dividend note due June 30, 2017 (“Dividend Notes”) aggregating \$16,150,000 (\$10.89 per share) in principal amount. The Dividend Notes 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”). On June 16, 2014, the initial semi-annual interest payment on the Dividend Notes was paid in kind in the form of uncertificated interests in a global 5% subordinated note due June 30, 2017 in the principal amount of \$302,813 that otherwise is identical to the Dividend Note other than as to the initial semi-annual interest payment date thereunder. A copy of the form of the 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.

Revisions to the Merger Agreement (see page •)

On December 19, 2013, the board of directors determined that, having declared the First Special Dividend to achieve the benefits of the private letter ruling and the Second Special Dividend to make the required distribution of 2013 REIT income, that the entire non-cash portion of the First Special Dividend would be

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satisfied by issuance of all of the equity interests in GSD and that the Second Special Dividend would be paid in the form of Dividend Notes. Our board of directors also determined to amend the merger agreement to provide that both Gyrodyne and GSD would merge into Gyrodyne, LLC and that in such merger the interests in GSD distributed in the First Special Dividend, and the common shares of Gyrodyne would all be converted into equity interests of Gyrodyne, LLC, and the Dividend Notes issued in the Second Special Dividend would be redeemed with equity of Gyrodyne LLC, thereby resulting in a simplified capital structure and permitting holders of interests in GSD and holders of Dividend Notes as well as Gyrodyne shareholders to receive freely transferable common shares of Gyrodyne, LLC. The board also authorized the approval of the merger by Gyrodyne in its capacity as the sole member of GSD and Gyrodyne, LLC. The merger agreement provides that holders of common stock of Gyrodyne will receive approximately 15.2% of the common equity interests in Gyrodyne, LLC in the aggregate, holders of the Dividend Notes (\$16,150,000 initial aggregate principal amount and accrued interest thereon) would receive approximately 29.2% of the common equity interests in Gyrodyne, LLC in the aggregate, and holders of shares of GSD would receive approximately 55.6% of the common equity interests of Gyrodyne, LLC in the aggregate. The board of directors determined these allocations based on the mathematical portion of the fair market value of GSD (\$30,685,000) as determined by our board of directors, the principal amount of Dividend Notes (\$16,150,000) and the assumed pro forma book value of Gyrodyne of \$8,450,000 (approximately \$5.70 per share). (The board recognized that the GSD interests and Dividend Notes were not transferrable, and the holders would not be able to readily realize value, but as the board of directors intended that such restrictions would be eliminated with the registration of the GSD interests and Dividend Notes either pursuant to the Merger or otherwise, that it was appropriate not to apply a valuation discount based on such temporary liquidity factors.) The merger will effect the final step in the tax liquidation of Gyrodyne while simplifying the corporate structure and interrelationships of Gyrodyne and GSD.

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 and to provide a simplified capital structure that results in holders of nontransferable GSD Interests and holders of nontransferable Dividend Notes as well as Gyrodyne shareholders holding freely transferable common shares of Gyrodyne, LLC, the entity which will hold and operate Contributed Properties, pending their sale or other disposition. In essence, having made the First Special Dividend to achieve the benefits of the PLR and the Second Special Dividend to make a required distribution of 2013 REIT income, the merger will effect the final step in the Tax Liquidation, while simplifying the corporate structure and interrelationships of Gyrodyne and GSD.

Following the merger, if implemented, it is the current intent of our board of directors that Gyrodyne, LLC would operate with a business plan to pursue the actual disposition of the Contributed Properties, and any other 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.” No assurance can be given that NASDAQ will permit trading of Gyrodyne, LLC Shares. The terms of the merger are set forth in the Amended and Restated Plan of Merger attached as Annex C to this proxy statement/prospectus (the “Plan of Merger”).

At the special meeting, shareholders are being asked to vote “FOR” the Proposal 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.

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### 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. The merger will result in holders of Gyrodyne Common Stock (\$16,150,000 initial aggregate principal amount and accrued interest thereon) receiving approximately 15.2% of Gyrodyne, LLC Shares in the aggregate, holders of the Dividend Notes receiving approximately 29.2% of Gyrodyne, LLC Shares in the aggregate, and holders of GSD Interests receiving approximately 55.6% of Gyrodyne, LLC Shares in the aggregate, subject to adjustment in the discretion of the Gyrodyne board of directors. Thus, upon the effectiveness of the merger, subject to adjustment in the discretion of the Gyrodyne board of directors, each issued (i) share of Gyrodyne Common Stock (other than those that elect to exercise their appraisal rights) will be converted into 0.152 Gyrodyne, LLC Shares, (ii) Dividend Note (\$10.89 principal amount and accrued interest thereon) will be redeemed for approximately 0.292 Gyrodyne, LLC Shares and (iii) interest of GSD will be converted into approximately 0.556 Gyrodyne, LLC Shares, whereupon holders of such shares automatically will be admitted to Gyrodyne, LLC as members.

The determination of our board of directors as to the number of Gyrodyne, LLC Shares into which each share of Gyrodyne Common Stock and each GSD Interest will be converted, and for which each Dividend Note will be redeemed, will be announced at least ten days prior to the special meeting via press release, a copy of which will be filed with the SEC under cover of a Current Report on Form 8-K. 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 the number shares of Gyrodyne Common Stock or GSD Interests and the evidence of notes in book-entry form representing the Dividend Notes will be deemed for all purposes to represent the applicable number of Gyrodyne, LLC Shares into which such Gyrodyne Common Stock and GSD Interests is converted, or for which Dividend Notes are redeemed, in the merger, respectively, and such Gyrodyne Common Stock and GSD Interests will be converted, and such Dividend Notes will be redeemed, 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, which currently include managing GSD and holding mortgages on various GSD properties, as a self-managed and self-administered REIT. In light of our announced intent to liquidate, 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.

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 pursue the actual disposition of the Contributed Properties 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. Gyrodyne, LLC intends to effect a dissolution of Gyrodyne, LLC when it has completed the disposition of all of its real property assets, after which Gyrodyne, LLC will dissolve and a final distribution will be made. Under

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the Amended and Restated Limited Liability Company Agreement of Gyrodyne, LLC, such dissolution may be effected upon the vote of holders a majority of the Gyrodyne, LLC Shares or, in the board's discretion and without any separate approval by the holders of the Gyrodyne, LLC Shares at any time the value of the Gyrodyne, LLC's assets, as determined by the board in good faith, is less than \$1,000,000. We are unable to predict the precise nature, amount or timing of such distributions. The actual nature, amount and timing of all distributions will be determined by Gyrodyne, LLC, in its sole discretion, and will depend in part upon the 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 the Proposal by the holders of shares of Gyrodyne 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 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 Gyrodyne Common Stock shall have perfected their statutory appraisal rights to obtain the "fair value" of their shares of Gyrodyne 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.

Description of Gyrodyne, LLC Shares

Gyrodyne, LLC Shares to be received in the Merger represent limited liability company interests in Gyrodyne, LLC. The holders of Gyrodyne, LLC Shares will be entitled to receive distributions and exercise the rights or privileges available to such holders under the Amended and Restated Limited Liability Company Agreement of Gyrodyne, LLC, which is described below. Immediately after giving effect to the transactions contemplated by the Merger, it is

expected that approximately 1,482,680 Gyrodyne, LLC Shares will be outstanding. Gyrodyne, LLC Shares are intended to become publicly traded on NASDAQ under the symbol "GYRO." No assurance can be given that NASDAQ will permit trading of Gyrodyne, LLC Shares.

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

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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 our 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 “The Proposal — The Plan of Merger — Amended and Restated Limited Liability Company Agreement of Gyrodyne, LLC.”

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

Although, as a result of the merger, Gyrodyne shareholders will own Gyrodyne, LLC Shares and be subject to the governing documents of Gyrodyne, LLC and 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 (i) the differences noted in “Comparison of Rights of Holders of Gyrodyne Shareholders and Holders of Gyrodyne, LLC Shares,” including, among others, the differences incident to: holding limited liability company interests instead of corporate stock; the Board’s ability to amend the Amended and Restated Limited Liability Company Agreement of Gyrodyne, LLC and an ownership limitation of indefinite duration that prohibits members from holding Gyrodyne, LLC Shares representing in excess of 20% of the outstanding Gyrodyne, LLC Shares at any time as well as (ii) the differences in taxation described in “Federal Income Tax Considerations.” See “The Proposal — The Plan of Merger — Comparison of Rights of Gyrodyne Shareholders and Holders of Gyrodyne, LLC’s Shares” and “Federal Income Tax Considerations.”

Comparison of Rights of Holders of GSD Interests and Holders of Gyrodyne, LLC Shares

Although, as a result of the merger, holders of GSD Interests 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 Law. Currently, GSD is managed by Gyrodyne and GSD Interests may not be assigned or transferred, voluntarily or involuntarily, and are not listed on any exchange. See “The Proposal — The Plan of Merger — Comparison of Rights of Holders of GSD Interests and Holders of Gyrodyne, LLC’s Shares.”

Comparison of Rights of Holders of Dividend Notes and Holders of Gyrodyne, LLC Shares

As a result of the merger, holders of Dividend Notes 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 be governed by the New York Limited Liability Company Law. The rights of holders of Gyrodyne, LLC Shares will be different from those of holders of Dividend Notes. Such differences include, among others, differences in priority, periodic payments, prepayment/redemption and transferability and assignment, as described in “The Proposal — The Plan of Merger — Comparison of Rights of Holders of Dividend Notes and Holders of Gyrodyne, LLC 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 “The Proposal — The Plan of Merger — Recommendation of our Board of Directors; Reasons for the Plan of Merger.”

Reasons for the Plan of Merger and the Tax Liquidation

The Plan of Merger is designed to facilitate the Tax Liquidation and to provide a simplified capital structure that results in holders of nontransferable GSD Interests and holders of nontransferable Dividend

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Notes as well as Gyrodyne shareholders holding freely transferable common shares of Gyrodyne, LLC, the entity which will hold and operate Contributed Properties, pending their sale or other disposition. In essence, having made the First Special Dividend to achieve the benefits of the PLR and the Second Special Dividend to make a required distribution of 2013 REIT income, the merger will effect the final step in the Tax Liquidation, while simplifying the corporate structure and interrelationships of Gyrodyne and GSD.

The Tax Liquidation, if effected within two years from the Adoption Date, which may be so effected if the merger is approved and consummated, will allow Gyrodyne to report each of the GSD Interests and the \$45.86 per share in cash distributed pursuant to the First Special Dividend, as well as the Dividend Notes issued pursuant to the Second Special Dividend, as a return of capital to shareholders up to each shareholder's basis in its shares, rather than as capital gains. For a discussion of the material factors considered by our board of directors in reaching its conclusions and the reasons why our board of directors unanimously determined that 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 "The Proposal — The Plan of Merger — Recommendation of our 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 Gyrodyne Common Stock have statutory appraisal rights, which may entitle them to receive the "fair value" of their shares if they dissent from the Proposal. In order to properly exercise dissenters' rights, dissenting shareholders will be required to follow the procedure outlined in "The Proposal — The Plan of Merger — Statutory Appraisal Rights to Transactions Contemplated by the Plan of Merger" and "Statutory Appraisal Rights to Transactions Contemplated by the Proposal."

Federal Income Tax Considerations (see page •)

Pursuant to the receipt of the PLR, we designated the First Special Dividend as a dividend paid with respect to our taxable year ending December 31, 2012, and paid an approximately 4% excise tax (equal to approximately \$3,400,000), in connection with the payment of the First Special Dividend.

If the Proposal to authorize the Plan of Merger and the transactions contemplated thereby is approved and consummated, the Special Dividends, and any additional distributions of cash, will generally be treated as a return of capital and tax-free reduction of a recipient 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 Dividends will instead be treated as a capital gain dividend to shareholders that received the Special Dividends. Certain foreign shareholders are subject to additional rules. 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 special 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 special meeting of shareholders or at any adjournments or postponements of the special meeting.

Q:

- When and where is the special meeting?

A:

- The special meeting will be held at Flowerfield Celebrations, Mills Pond Road, Saint James, New York 11780 on August 14, 2014, at 11:00 a.m., Eastern Time.

Q:

- Who is entitled to vote at the special meeting?

A:

- Only holders of record of shares of Gyrodyne Common Stock at the close of business on the record date, June 30, 2014, are entitled to notice of and to vote at the special meeting. Each share of Common Stock issued and outstanding on the record date is entitled to one vote at the special meeting on the proposal presented. On the record date, [1,482,680] shares of Common Stock were issued and outstanding and held by [1,540] holders of record.

Q:

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

A:

- Yes. All shareholders as of the record date may attend the special meeting and vote in person. Seating will be limited. To obtain an admittance card for the special 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 special meeting so you can avoid registration and proceed directly to the special meeting. However, if you do not have an admittance card by the time of the special 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 special 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 special 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 special meeting. If you attend the special 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 special 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 special meeting?

A:

- At the special meeting, shareholders will be asked to consider and vote upon a proposal to authorize the Plan of Merger under the New York Business Corporation Law, including the merger of the Company into Gyrodyne, LLC, and to transact such other business as may properly come before the special meeting or any adjournment thereof.

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Q:

- What vote is required to approve the Proposal?

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.

Q:

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

A:

- In adopting a plan of liquidation within the meaning of the Internal Revenue Code, for federal income tax purposes, our board of directors also determined to pursue the actual disposition of our remaining assets in an orderly manner designed to obtain the best value reasonably available 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 special meeting, shareholders are being asked to approve the Proposal 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:

- 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, 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 those shareholders that received the Special Dividends may be impacted.

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. The merger will result in holders of Gyrodyne Common Stock receiving approximately 15.2% of Gyrodyne, LLC Shares in the aggregate, holders of the Dividend Notes (\$16,150,000 initial aggregate principal amount and accrued interest thereon) receiving approximately 29.2% of Gyrodyne, LLC Shares in the aggregate, and holders of GSD Interests receiving approximately 55.6% of Gyrodyne, LLC Shares in the aggregate, subject to adjustment in the discretion of the Gyrodyne board of directors. Thus, upon the effectiveness of the merger, subject to adjustment in the discretion of the Gyrodyne board of directors, each issued (i) share of Gyrodyne Common Stock (other than those that elect to exercise their appraisal rights) will be converted into 0.152 Gyrodyne, LLC Share, (ii) Dividend Note (\$10.89 principal amount and accrued interest thereon) will be redeemed for approximately 0.292 Gyrodyne, LLC Shares and (iii) interest of GSD will be converted into approximately 0.556 Gyrodyne, LLC Shares, whereupon holders of such shares automatically will be admitted to Gyrodyne, LLC as members.

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The determination of our board of directors as to the number of Gyrodyne, LLC Shares into which each share of Gyrodyne Common Stock and each GSD Interest will be converted and for which each Dividend Note will be redeemed will be announced at least ten days prior to the special meeting via press release, a copy of which will be filed with the SEC under cover of a Current Report on Form 8-K. 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 "The Proposal — The Plan of Merger — Recommendation of our Board of Directors; Reasons for the Plan of Merger."

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 Interests or Dividend Notes in connection with the Plan of Merger. See “The Proposal — The Plan of Merger — Statutory Appraisal Rights to Transactions Contemplated by Plan of Merger” and “Statutory Appraisal Rights to Transactions Contemplated by the Proposal.”

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 appro