

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

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES AND EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): February 12, 2007

GYRODYNE COMPANY OF AMERICA, INC.

(Exact name of Registrant as Specified in its Charter)

New York	000-01684	1-1688021
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(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1 FLOWERFIELD
SUITE 24
ST. JAMES, NEW YORK 11780

(Address of principal executive
offices) (Zip Code)

(631) 584-5400

Registrant's telephone number,
including area code

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

- Item 1.01. Entry into a Material Definitive Agreement.
Item 1.02. Termination of a Material Definitive Agreement.

Gyrodyne Company of America, Inc. (the "Company") entered into an Agreement dated February 12, 2007 with DPMG, Inc. d/b/a Landmark National ("Landmark") (the "Agreement"), pursuant to which the Golf Operating Agreement and the Asset Management Agreement (collectively, the "Golf Course Agreements"), both dated April 9, 2002, and both entered into by and between the Company and Landmark, were terminated. The Agreement also obligates Landmark to provide consulting services to the Company in connection with the eminent domain litigation captioned Gyrodyne Company of America, Inc. -against- The State University of New York at Stony Brook for the People of the State of New York (the "Eminent Domain Litigation") for a period not to exceed the earlier of the completion of such litigation or February 1, 2010. The Company and Landmark also exchanged general releases upon execution of the Agreement pursuant to which each party released the other from any and all claims arising out of events occurring before the date of the Agreement.

The consulting services relating to the Eminent Domain Litigation to be provided by Landmark under the Agreement will include general consultations with the Company, review of pertinent documents, consultations regarding land planning and economic feasibility studies and coordination with project engineers. As compensation for these consulting services and for certain services provided to the Company by Landmark between October 2004 and October 2006, and in consideration of Landmark's agreement to terminate the Golf Course Agreements, the Company paid Landmark \$2,000,000 upon execution of the Agreement and will pay an additional \$1,000,000 to Landmark in thirty-six equal monthly installments of \$26,777.77 commencing on March 1, 2007 and ending on February 1, 2010.

The Golf Course Agreements were entered into in contemplation of the design and development of an 18-hole championship residential golf course community on the Company's Flowerfield property. The realization of this development plan was negated when the State University of New York at Stony Brook appropriated 245.5 acres of the Flowerfield property to itself through the power of eminent domain on November 2, 2005. The condemnation led the Company to accrue as of January 31, 2006 a \$500,000 early termination fee owed to Landmark, as reported by the Company in its Quarterly Report on Form 10-Q for the fiscal quarter ended January 31, 2006. Furthermore, as previously reported by the Company, Landmark had maintained that the

condemnation triggered an incentive fee provision in the Golf Course Agreements that entitled Landmark to 10% of all proceeds from the condemned Flowerfield property and from the development and/or sale of the Company's remaining Flowerfield property, a position which the Company believed was based upon an erroneous interpretation of the incentive fee provision. Landmark will be unable to pursue these claims against the Company as a result of the mutual releases exchanged by the parties pursuant to the Agreement.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No. -----	Description -----
99.1	Press Release of Gyrodyne Company of America, Inc. dated February 14, 2007

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GYRODYNE COMPANY OF AMERICA, INC.

By: /s/ Stephen V. Maroney

Stephen V. Maroney
President, Chief Executive Officer and Treasurer

Date: February 15, 2007

Gyrodyne Company of America, Inc.
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St. James, New York 11780-1551
Phone (631) 584-5400 Fax (631) 584-7075

February 14, 2007

Gyrodyne Company of America, Inc.
1 Flowerfield, Suite 24
St. James, New York 11780

FOR IMMEDIATE RELEASE

***** NEWS ***** NEWS ***** NEWS ***** NEWS ***** NEWS *****

Gyrodyne Inks New Consulting Agreement with Landmark National

"NASDAQ:GYRO" - ST. JAMES, N.Y., February 14, 2007 - Gyrodyne Company of America, Inc. today announced that it has entered into an agreement with DPMG, Inc. - doing business as Landmark National -- for consulting services in connection with pending eminent domain litigation with the State of New York.

The agreement between Gyrodyne and Landmark National calls for Landmark to provide consultation in support of Gyrodyne's efforts to be fully compensated by the State for 245.5 acres of the Company's Flowerfield property seized through eminent domain in November 2005. The agreement replaces previous agreements between the two parties, under which Landmark was to provide golf course asset management and operational services under the previous plans for the site.

Under the new agreement, Landmark is being paid \$2 million immediately and will be paid another \$1 million in monthly installments through February 2010. The agreement includes recognition for past services rendered, between October 2004 and October 2006, and also negates a previous claim by Landmark that it was entitled to 10 percent of the total eventual condemnation proceeds from the 245.5-acre site and 10 percent of the proceeds from the future development and/or sale of Gyrodyne's remaining Flowerfield acreage.

About Gyrodyne Company of America, Inc.

Gyrodyne owns a 67-acre site approximately 50 miles east of New York City on the north shore of Long Island. The Company is currently contesting the value paid by New York State for 245.5 adjoining acres taken under eminent domain proceedings. The Company is also a limited partner in the Callery Judge Grove, L.P., which owns a 3,500 plus acre property in Palm Beach County, Florida. Gyrodyne's common stock is traded on the NASDAQ Stock Market under the

symbol GYRO. Additional information about Gyrodyne may be found on its web site at <http://www.gyrodyne.com/>.

Forward-Looking Statement Safe Harbor

The statements made in this press release that are not historical facts contain "forward-looking information" within the meaning of the Private Securities Litigation Reform Act of 1995, and Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, both as amended, which can be identified by the use of forward-looking terminology such as "may," "will," "anticipates," "expects," "projects," "estimates," "believes," "seeks," "could," "should," or "continue," the negative thereof, other variations or comparable terminology. Important factors, including certain risks and uncertainties, with respect to such forward-looking statements that could cause actual results to differ materially from those reflected in such forward-looking statements include, but are not limited to, the effect of economic and business conditions, including risks inherent in the Long Island, New York and Palm Beach County, Florida real estate markets, the ability to obtain additional capital or a viable merger candidate in order to develop the existing real estate and other risks detailed from time to time in our SEC reports. We assume no obligation to update the information in this press release.

MEDIA CONTACT: Rick Matthews, Rubenstein Associates, (212) 843-8267