

<b>Form 5500</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Annual Return/Report of Employee Benefit Plan</b>  This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).  <b>► Complete all entries in accordance with the instructions to the Form 5500.</b>	OMB Nos. 1210-0110 1210-0089
		<b>2011</b>
		<b>This Form is Open to Public Inspection</b>

<b>Part I</b>	<b>Annual Report Identification Information</b>
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
<b>A</b> This return/report is for:	<input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or <input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____
<b>B</b> This return/report is:	<input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months).
<b>C</b> If the plan is a collectively-bargained plan, check here. . . . .	<input type="checkbox"/>
<b>D</b> Check box if filing under:	<input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description)

<b>Part II</b>	<b>Basic Plan Information</b> —enter all requested information						
<b>1a</b> Name of plan GRAMERCY CAPITAL CORP. 401(K) PLAN	<table border="1"> <tr> <td><b>1b</b> Three-digit plan number (PN) ►</td> <td>001</td> </tr> <tr> <td><b>1c</b> Effective date of plan</td> <td>06/01/2009</td> </tr> </table>	<b>1b</b> Three-digit plan number (PN) ►	001	<b>1c</b> Effective date of plan	06/01/2009		
<b>1b</b> Three-digit plan number (PN) ►	001						
<b>1c</b> Effective date of plan	06/01/2009						
<b>2a</b> Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)  GRAMERCY CAPITAL CORP.  420 LEXINGTON AVENUE 19TH FLOOR NEW YORK, NY 10170	<table border="1"> <tr> <td><b>2b</b> Employer Identification Number (EIN)</td> <td>06-1722127</td> </tr> <tr> <td><b>2c</b> Sponsor's telephone number</td> <td>215-887-2280</td> </tr> <tr> <td><b>2d</b> Business code (see instructions)</td> <td>531120</td> </tr> </table>	<b>2b</b> Employer Identification Number (EIN)	06-1722127	<b>2c</b> Sponsor's telephone number	215-887-2280	<b>2d</b> Business code (see instructions)	531120
<b>2b</b> Employer Identification Number (EIN)	06-1722127						
<b>2c</b> Sponsor's telephone number	215-887-2280						
<b>2d</b> Business code (see instructions)	531120						

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

<b>SIGN HERE</b>	Filed with authorized/valid electronic signature.	10/12/2012	JANET SANCHEZ
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
<b>SIGN HERE</b>			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
<b>SIGN HERE</b>			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)  
v.012611

<b>3a</b> Plan administrator's name and address (if same as plan sponsor, enter "Same") GRAMERCY CAPITAL CORP.  420 LEXINGTON AVENUE 19TH FLOOR NEW YORK, NY 10170	<b>3b</b> Administrator's EIN 06-1722127  <b>3c</b> Administrator's telephone number 215-887-2280
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<b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:  <b>a</b> Sponsor's name	<b>4b</b> EIN  <b>4c</b> PN
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<b>5</b> Total number of participants at the beginning of the plan year	<b>5</b>	132
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<b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).		
<b>a</b> Active participants.....	<b>6a</b>	116
<b>b</b> Retired or separated participants receiving benefits.....	<b>6b</b>	0
<b>c</b> Other retired or separated participants entitled to future benefits.....	<b>6c</b>	11
<b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....	<b>6d</b>	127
<b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	<b>6e</b>	0
<b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....	<b>6f</b>	127
<b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	<b>6g</b>	89
<b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<b>6h</b>	10

<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....	<b>7</b>	
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**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:  
 2E 2F 2G 2J 2K 2T 3D

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

<b>9a</b> Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	<b>9b</b> Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
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**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information)
- (4) ☒ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

<b>SCHEDULE C</b> <b>(Form 5500)</b> Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	<b>Service Provider Information</b> This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ <b>File as an attachment to Form 5500.</b>	OMB No. 1210-0110
		<b>2011</b>
		<b>This Form is Open to Public Inspection.</b>

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

<b>A</b> Name of plan <u>GRAMERCY CAPITAL CORP. 401(K) PLAN</u>	<b>B</b> Three-digit plan number (PN) ▶ <u>001</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>GRAMERCY CAPITAL CORP.</u>	<b>D</b> Employer Identification Number (EIN) <u>06-1722127</u>

**Part I Service Provider Information (see instructions)**

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation  
FID.INV.INST.OPS.CO.

04-2647786

**(b)** Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64 37 65 60	RECORDKEEPER	700	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

NFP SECURITIES INC

1250 S CAPITAL OF TEXAS HWY STE  
600  
WEST LAKE HLS, TX 78746

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
61	ADVISOR	0	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**(a)** Enter name and EIN or address (see instructions)

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**(a)** Enter name and EIN or address (see instructions)

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
DREY BOND MKT IDX IV - DREYFUS TRAN  13-5673135	0.15%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
JANUS OVERSEAS S - JANUS SERVICES L  43-1804048	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
OPPENHEIMER GLOBAL A - OPPENHEIMERF  13-2527171	0.25%	

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>PIM TOTAL RETURN A - BOSTON FINANCI</p> <p>04-2526037</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.25%</p> </div> </div>		
NFP SECURITIES INC	61	0
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>OPPENHEIMER GLOBAL A - OPPENHEIMERF</p> <p>13-2953455</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>\$5M+=0.25%</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(a) Enter service provider name as it appears on line 2</p> </div> <div style="width: 20%;"> <p>(b) Service Codes (see instructions)</p> </div> <div style="width: 20%;"> <p>(c) Enter amount of indirect compensation</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> </div> </div>		



**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide
<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide
<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide
<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide
<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide
<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide

**Part III** **Termination Information on Accountants and Enrolled Actuaries (see instructions)**  
(complete as many entries as needed)

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>SCHEDULE D</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>	<b>DFE/Participating Plan Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).  <b>► File as an attachment to Form 5500.</b>	OMB No. 1210-0110  <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2011</div>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2011 or fiscal plan year beginning	01/01/2011	and ending	12/31/2011
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<b>A</b> Name of plan GRAMERCY CAPITAL CORP. 401(K) PLAN	<b>B</b> Three-digit plan number (PN)	001
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<b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500 GRAMERCY CAPITAL CORP.	<b>D</b> Employer Identification Number (EIN)  06-1722127
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Part I	<b>Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)</b> (Complete as many entries as needed to report all interests in DFEs)
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<b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:	FA STABLE VALUE
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<b>b</b> Name of sponsor of entity listed in (a):	FIDELITY MANAGEMENT TRUST COMPANY
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<b>c</b> EIN-PN	04-3022712-026	<b>d</b> Entity code	C	<b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	273773
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<b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:	
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<b>b</b> Name of sponsor of entity listed in (a):	
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<b>c</b> EIN-PN		<b>d</b> Entity code		<b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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<b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:	
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<b>b</b> Name of sponsor of entity listed in (a):	
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<b>c</b> EIN-PN		<b>d</b> Entity code		<b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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<b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:	
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<b>b</b> Name of sponsor of entity listed in (a):	
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<b>c</b> EIN-PN		<b>d</b> Entity code		<b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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<b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:	
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<b>b</b> Name of sponsor of entity listed in (a):	
---	--

<b>c</b> EIN-PN		<b>d</b> Entity code		<b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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<b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:	
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<b>b</b> Name of sponsor of entity listed in (a):	
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<b>c</b> EIN-PN		<b>d</b> Entity code		<b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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<b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:	
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<b>b</b> Name of sponsor of entity listed in (a):	
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<b>c</b> EIN-PN		<b>d</b> Entity code		<b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
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<b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE:	
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**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-  
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-  
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-  
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-  
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-  
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-  
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-  
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-  
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-  
12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-  
12 IE at end of year (see instructions)

**Part II Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN

<b>SCHEDULE H</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Financial Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).  <b>► File as an attachment to Form 5500.</b>	OMB No. 1210-0110  <div style="font-size: 24pt; font-weight: bold;">2011</div>  <b>This Form is Open to Public Inspection</b>
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For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
<b>A</b> Name of plan <u>GRAMERCY CAPITAL CORP. 401(K) PLAN</u>	<b>B</b> Three-digit plan number (PN) ►	<u>001</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>GRAMERCY CAPITAL CORP.</u>	<b>D</b> Employer Identification Number (EIN)  <u>06-1722127</u>	

<b>Part I</b>	<b>Asset and Liability Statement</b>
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**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
<b>a</b> Total noninterest-bearing cash .....	<b>1a</b>		
<b>b</b> Receivables (less allowance for doubtful accounts):			
<b>(1)</b> Employer contributions .....	<b>1b(1)</b>	217757	241540
<b>(2)</b> Participant contributions .....	<b>1b(2)</b>		
<b>(3)</b> Other.....	<b>1b(3)</b>		
<b>c</b> General investments:			
<b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....	<b>1c(1)</b>		
<b>(2)</b> U.S. Government securities.....	<b>1c(2)</b>		
<b>(3)</b> Corporate debt instruments (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(3)(A)</b>		
<b>(B)</b> All other.....	<b>1c(3)(B)</b>		
<b>(4)</b> Corporate stocks (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(4)(A)</b>		
<b>(B)</b> Common .....	<b>1c(4)(B)</b>		
<b>(5)</b> Partnership/joint venture interests .....	<b>1c(5)</b>		
<b>(6)</b> Real estate (other than employer real property) .....	<b>1c(6)</b>		
<b>(7)</b> Loans (other than to participants) .....	<b>1c(7)</b>		
<b>(8)</b> Participant loans .....	<b>1c(8)</b>	75508	57977
<b>(9)</b> Value of interest in common/collective trusts.....	<b>1c(9)</b>	160374	273773
<b>(10)</b> Value of interest in pooled separate accounts.....	<b>1c(10)</b>		
<b>(11)</b> Value of interest in master trust investment accounts .....	<b>1c(11)</b>		
<b>(12)</b> Value of interest in 103-12 investment entities .....	<b>1c(12)</b>		
<b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....	<b>1c(13)</b>	1519855	2205548
<b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....	<b>1c(14)</b>		
<b>(15)</b> Other .....	<b>1c(15)</b>		

**1d** Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities .....	<b>1d(1)</b>		
(2) Employer real property .....	<b>1d(2)</b>		
<b>e</b> Buildings and other property used in plan operation .....	<b>1e</b>		
<b>f</b> Total assets (add all amounts in lines 1a through 1e) .....	<b>1f</b>	1973494	2778838

**Liabilities**

<b>g</b> Benefit claims payable .....	<b>1g</b>		
<b>h</b> Operating payables .....	<b>1h</b>		
<b>i</b> Acquisition indebtedness .....	<b>1i</b>		
<b>j</b> Other liabilities .....	<b>1j</b>		
<b>k</b> Total liabilities (add all amounts in lines 1g through 1j) .....	<b>1k</b>	0	0

**Net Assets**

<b>l</b> Net assets (subtract line 1k from line 1f) .....	<b>1l</b>	1973494	2778838
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**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

**Income**

		(a) Amount	(b) Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: <b>(A)</b> Employers .....	<b>2a(1)(A)</b>	241540	
<b>(B)</b> Participants .....	<b>2a(1)(B)</b>	663211	
<b>(C)</b> Others (including rollovers) .....	<b>2a(1)(C)</b>	9925	
(2) Noncash contributions .....	<b>2a(2)</b>		
(3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> .....	<b>2a(3)</b>		914676
<b>b Earnings on investments:</b>			
(1) Interest:			
<b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....	<b>2b(1)(A)</b>		
<b>(B)</b> U.S. Government securities .....	<b>2b(1)(B)</b>		
<b>(C)</b> Corporate debt instruments .....	<b>2b(1)(C)</b>		
<b>(D)</b> Loans (other than to participants) .....	<b>2b(1)(D)</b>		
<b>(E)</b> Participant loans .....	<b>2b(1)(E)</b>	4082	
<b>(F)</b> Other .....	<b>2b(1)(F)</b>		
<b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....	<b>2b(1)(G)</b>		4082
(2) Dividends: <b>(A)</b> Preferred stock .....	<b>2b(2)(A)</b>		
<b>(B)</b> Common stock .....	<b>2b(2)(B)</b>		
<b>(C)</b> Registered investment company shares (e.g. mutual funds) .....	<b>2b(2)(C)</b>	63376	
<b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....	<b>2b(2)(D)</b>		63376
(3) Rents .....	<b>2b(3)</b>		
(4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....	<b>2b(4)(A)</b>		
<b>(B)</b> Aggregate carrying amount (see instructions) .....	<b>2b(4)(B)</b>		
<b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....	<b>2b(4)(C)</b>		

		(a) Amount	(b) Total
<b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	<b>2b(5)(A)</b>		
(B) Other .....	<b>2b(5)(B)</b>		
(C) Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....	<b>2b(5)(C)</b>		
(6) Net investment gain (loss) from common/collective trusts .....	<b>2b(6)</b>		8281
(7) Net investment gain (loss) from pooled separate accounts .....	<b>2b(7)</b>		
(8) Net investment gain (loss) from master trust investment accounts .....	<b>2b(8)</b>		
(9) Net investment gain (loss) from 103-12 investment entities .....	<b>2b(9)</b>		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	<b>2b(10)</b>		-140373
<b>c</b> Other income.....	<b>2c</b>		
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....	<b>2d</b>		850042

**Expenses**

<b>e</b> Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers .....	<b>2e(1)</b>	43966	
(2) To insurance carriers for the provision of benefits .....	<b>2e(2)</b>		
(3) Other .....	<b>2e(3)</b>		
(4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....	<b>2e(4)</b>		43966
<b>f</b> Corrective distributions (see instructions) .....	<b>2f</b>		
<b>g</b> Certain deemed distributions of participant loans (see instructions).....	<b>2g</b>		
<b>h</b> Interest expense.....	<b>2h</b>		
<b>i</b> Administrative expenses: (1) Professional fees .....	<b>2i(1)</b>		
(2) Contract administrator fees .....	<b>2i(2)</b>		
(3) Investment advisory and management fees .....	<b>2i(3)</b>		
(4) Other .....	<b>2i(4)</b>	732	
(5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....	<b>2i(5)</b>		732
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total.....	<b>2j</b>		44698

**Net Income and Reconciliation**

<b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> .....	<b>2k</b>		805344
<b>l</b> Transfers of assets:			
(1) To this plan.....	<b>2l(1)</b>		
(2) From this plan .....	<b>2l(2)</b>		

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: HARRIS E. FOX & CO., P.C.

(2) EIN: 23-2185071

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.



**Part IV Compliance Questions**

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
<b>a</b> Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
<b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
<b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....		X	
<b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
<b>e</b> Was this plan covered by a fidelity bond?.....	X		200000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....		X	
<b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....		X	
<b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....		X	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
<b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
<b>l</b> Has the plan failed to provide any benefit when due under the plan? .....		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
<b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

**5b(1)** Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

<div>SCHEDULE R (Form 5500) <div>Department of the Treasury Internal Revenue Service</div><div>Department of Labor Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div>		<div>Retirement Plan Information</div> <div>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2011</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011					
A Name of plan GRAMERCY CAPITAL CORP. 401(K) PLAN				B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 GRAMERCY CAPITAL CORP.				D Employer Identification Number (EIN) 06-1722127	
Part I Distributions					
All references to distributions relate only to payments of benefits during the plan year.					
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....				1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 04-6568107					
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.					
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....				3	
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)					
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A					
If the plan is a defined benefit plan, go to line 8.					
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____					
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.					
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....				6a	
b Enter the amount contributed by the employer to the plan for this plan year .....				6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....				6c	
If you completed line 6c, skip lines 8 and 9.					
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A					
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A					
Part III Amendments					
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... <input type="checkbox"/> Increase <input type="checkbox"/> Decrease <input type="checkbox"/> Both <input type="checkbox"/> No					
Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.					
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... <input type="checkbox"/> Yes <input type="checkbox"/> No					
11 a Does the ESOP hold any preferred stock? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No					
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... <input type="checkbox"/> Yes <input type="checkbox"/> No					
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No					
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.					
Schedule R (Form 5500) 2011 v.012611					

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

<b>a</b> The current year .....	<b>14a</b>	
<b>b</b> The plan year immediately preceding the current plan year .....	<b>14b</b>	
<b>c</b> The second preceding plan year .....	<b>14c</b>	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

<b>a</b> The corresponding number for the plan year immediately preceding the current plan year .....	<b>15a</b>	
<b>b</b> The corresponding number for the second preceding plan year .....	<b>15b</b>	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

<b>a</b> Enter the number of employers who withdrew during the preceding plan year .....	<b>16a</b>	
<b>b</b> If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers .....	<b>16b</b>	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ..... ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

**a** Enter the percentage of plan assets held as:  
 Stock: \_\_\_\_\_% Investment-Grade Debt: \_\_\_\_\_% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: \_\_\_\_\_%

**b** Provide the average duration of the combined investment-grade and high-yield debt:  
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate item 19(b)?  
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): \_\_\_\_\_

GRAMERCY CAPITAL CORPORATION 401(k) PLAN  
FINANCIAL STATEMENTS AND  
SUPPLEMENTAL SCHEDULE  
FOR THE YEARS ENDED  
DECEMBER 31, 2011 and 2010

GRAMERCY CAPITAL CORPORATION 401(k) PLAN  
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE  
DECEMBER 31, 2011 and 2010

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# HARRIS E. FOX & COMPANY, P.C.

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders  
of Gramercy Capital Corporation

We were engaged to audit the accompanying statement of net assets available for benefits for Gramercy Capital Corporation, 401(k) Plan as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the years then ended and supplementary schedule of Schedule H, line 4i-Schedule of Assets (Held At End of Year). These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 9, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2011 and 2010 and for the year ended December 31, 2011 that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The supplemental schedules are presented for the purpose of additional analysis and are not a required part of the financial statements but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee or custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Harris E. Fox & Company, P.C.

August 14, 2012

Gramercy Capital Corporation 401(k) Plan  
Statements of Net Assets Available for Benefits  
December 31, 2011 and 2010

Assets:	<u>2011</u>	<u>2010</u>
Investments at fair value	\$ 2,470,581	\$ 1,677,230
Receivables:		
Employer's Contribution	241,540	217,757
Notes receivable from participants	<u>57,977</u>	<u>75,508</u>
Total receivables	<u>299,517</u>	<u>293,265</u>
Total Assets	<u>2,770,098</u>	<u>1,970,495</u>
Net assets reflecting investments at fair value available for benefits	\$ <u><u>2,770,098</u></u>	\$ <u><u>1,970,495</u></u>

*See accompanying notes to the financial statements*



Gramercy Capital Corporation 401(k) Plan  
Statements of Changes in Net Assets Available for Benefits  
For the years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Additions:		
Additions to net assets attributed to:		
Investment income:		
Net appreciation (depreciation)		
in fair value of investments	\$ (137,833)	\$ 149,752
Interest	4,082	3,584
Dividends	<u>63,376</u>	<u>28,479</u>
	<u>(70,375)</u>	<u>181,815</u>
Contributions:		
Participant	673,136	855,520
Employer	<u>241,540</u>	<u>217,757</u>
	<u>914,676</u>	<u>1,073,277</u>
Total additions	<u>844,301</u>	<u>1,255,092</u>
Deductions:		
Deductions from net assets attributed to:		
Benefits paid to participants	43,966	85,543
Operating expenses	<u>732</u>	<u>604</u>
Total deductions	<u>44,698</u>	<u>86,147</u>
Net increase	799,603	1,168,945
Net assets available for benefits:		
Beginning of year	<u>1,970,495</u>	<u>801,550</u>
End of year	<u>\$ 2,770,098</u>	<u>\$ 1,970,495</u>

*See accompanying notes to the financial statements.*

Gramercy Capital Corporation 401(k) Plan  
Notes to Financial Statements  
December 31, 2011 and 2010

1. Description of Plan

The following description of the Gramercy Capital Corporation 401 (k) Plan provides only general information. Participants should refer to the plan agreement for a more complete description of the plan's provisions.

- a. *General.* The plan is a defined contribution plan covering all full time employees of the company who have ninety (90) days of service and are age twenty-one or older. The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).
- b. *Contributions.* Each year, participants may contribute up to 75 percent of pretax annual compensation, as defined in the plan. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified plans. Participants direct the investment of their contributions into various investment options offered by the plan. The plan currently offers various mutual funds as options for participants. The company may make a discretionary matching employer contribution on behalf of each eligible participant during the contribution period. Discretionary matching employer contributions may be limited to a percentage of the participant's deferral or contributions up to a specified percentage of compensation or limit the amount of the match to a specified dollar amount.
- c. *Participant Accounts.* Each participant's account is credited with the participant's contribution and allocations of (a) the company's matching contributions and (b) plan earnings, and is charged with an allocation of administrative expenses. Allocations are based on participant's contributions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.
- d. *Vesting.* Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the company's contribution portion of their accounts is based on years of continuous service. A participant is 100% vested after 6 years of credited service.
- e. *Participant Loans.* Participants may borrow from their fund accounts a minimum of \$ 1,000 up to a maximum of 50% of their account balance. Loans are secured by the participant's account and bear interest at a rate equal to the prevailing interest rate determined by the plan administrator. Principal and interest are paid ratably through payroll deductions.

Gramercy Capital Corporation 401(k) Plan  
Notes to Financial Statements (continued)  
December 31, 2011 and 2010

- f. *Payment of Benefits.* Upon termination of service due to death, disability, or retirement, a participant may receive a lump-sum amount equal to the value of the participant's vested interest in his or her account. Upon termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.
- g. *Forfeited Accounts.* At December 31, 2011 and 2010 forfeited non-vested amounts totaled \$4,721 and \$6,319 respectively. These amounts will be used to reduce future employer contributions. Employer's contributions in 2011 were reduced by \$6,319 from forfeited non-vested accounts.

2. Summary of Accounting Policies

a. *Basis of Accounting*

The financial statements of the plan are prepared on the accrual basis of accounting.

b. *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

c. *Notes receivable from participants*

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable from participants are recorded as a distribution based upon the terms of plan document.

d. *Investment Valuation and Income Recognition*

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

e. *Payment of Benefits*

Benefits are recorded when paid.

Gramercy Capital Corporation 401(k) Plan  
Notes to Financial Statements (continued)  
December 31, 2011 and 2010

2. Summary of Accounting Policies (continued)

f. *Operating Expenses*

All expenses of maintaining the plan are paid by the company.

g. *Subsequent Events*

The plan has evaluated subsequent events through August 14, 2012, the date the financial statements were available to be issued.

3. Investments

The following schedule presents investments that represent 5 percent or more of the plan's net assets.

	<u>December 31,</u>	
	<u>2011</u>	<u>2010</u>
Blackrock Equity Dividend Fund	\$ 230,037	\$ 134,796
PIMCO Total Return	162,360	111,911
Oppenheimer Global Fund A	137,797	110,970
Dreyfus Bond Market Fund	185,521	122,923
FA Equity Growth Fund	147,177	95,741
FA Small Cap Fund	126,434	94,272
FA Stable Value (Collective Trust)	265,033	157,375
FA Freedom 2025	161,472	87,767
FA Small Cap Value Fund	132,347	95,250

Nonparticipant-directed

4. Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Gramercy Capital Corporation 401(k) Plan  
Notes to Financial Statements (continued)  
December 31, 2011 and 2010

4. Fair Value Measurements (continued)

- Level 2      Inputs to the valuation methodology include
- quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets or liabilities in inactive markets;
  - inputs other than quoted prices that are observable for the asset or liability;
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The assets or liabilities fair value measurement level within the fair value hierarchy are based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes to the methodologies used December 31, 2011 and 2010.

*Mutual funds:* Valued at the quoted net asset value (NAV) of shares held by the plan at year end.

*Common trusts:* Valued at the net asset value (NAV) of shares held by the plan at year end.

Assets at Fair Value as of December 31, 2011

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds:	\$2,205,548	--	--	\$2,205,548
Common Trusts:	<u>265,033</u>	<u>--</u>	<u>--</u>	<u>265,033</u>
	<u>\$2,470,581</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$2,470,581</u>

Gramercy Capital Corporation 401(k) Plan  
Notes to Financial Statements (continued)  
December 31, 2011 and 2010

4. Fair Value Measurements (continued)

Assets at Fair Value as of December 31, 2010

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds:	\$1,519,855	--	--	\$1,519,855
Common Trusts:	<u>157,375</u>	<u>--</u>	<u>--</u>	<u>157,375</u>
	<u>\$1,677,230</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$1,677,230</u>

5. Tax Status

The Internal Revenue Service has determined and informed the company by a letter dated March 31, 2008, that the plan and related trust is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The plan administrator and the plan's tax counsel believe that the plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

6. Risk and Uncertainties

The plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

Gramercy Capital Corporation 401(k) Plan  
Notes to Financial Statements (continued)  
December 31, 2011 and 2010

8. Reconciliation of Financial Statements to Form 5500.

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2011 and 2010 to Form 5500:

	<u>2011</u>	<u>2010</u>
Net assets available for benefits per the Financial statements	\$2,770,098	\$1,970,495
Adjustment for difference between fixed value and market value	<u>8,740</u>	<u>2,999</u>
Net assets available for benefits per the Form 5500	<u>\$2,778,838</u>	<u>\$1,973,494</u>

9. Information prepared and certified by trustee and custodian

The Plan administrator has elected the method of compliance by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosures under ERISA. Accordingly, Fidelity Management Trust Company, the custodian of the Plan, has certified as being complete and accurate the investments on the statement of net assets available for benefits, and the investment information included in the supplemental schedule of the financial statements as of and for the year ended December 31, 2011 and 2010. Accordingly, as permitted under such section election, the Plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the information certified as complete and accurate by the Plan's custodian for their respective periods.

## **SUPPLEMENTARY INFORMATION**



Gramercy Capital Corporation 401(k) Plan  
Schedule H, line 4i - Schedule of Assets (Held At End of Year)  
December 31, 2011

			2011 Market Value
Description	Shares	Cost	
<b>Registered investment companies</b>			
Blackrock Equity Div A	12,674	18.15	230,038
PIM Total Return A	14,937	10.87	162,360
Oppenheimer Global A	2,550	54.04	137,797
Ev Div Builder A	10,069	9.80	98,679
Drey Bond Market Index	16,912	10.97	185,521
Janus Overseas S	2,160	31.28	67,562
FA Lev Co Stock T	2,619	29.86	78,201
FA High Inc Adv T	4,695	9.34	43,847
FA Equity Growth T	2,744	53.64	147,177
FA Small Cap T	6,102	20.72	126,434
FA Strat Income	4,248	12.07	51,274
FA Divers Intl T	2,999	13.56	40,664
FA Equity Value T	2,657	9.19	24,416
FA Freedom 2010 T	2,121	11.15	23,647
FA Freedom 2020 T	2,508	11.49	28,813
FA Freedom 2030 T	2,276	11.41	25,967
FA Freedom 2040 T	2,080	11.40	23,715
FA Freedom Inc T	483	10.64	5,137
FA New Insights T	5,573	19.46	108,449
FA Freedom 2005 T	94	10.88	1,018
FA Freedom 2015 T	291	11.10	3,225
FA Freedom 2025 T	14,706	10.98	161,472
FA Freedom 2035 T	2,077	10.67	22,158
FA Mid Cap II T	4,967	15.88	78,870
FA Small Cap Val T	9,660	13.70	132,347
FA Intl Discovery T	997	27.31	27,219
FA Freedom 2045 T	1,254	8.82	11,058
FA Freedom 2050 T	899	8.64	7,765
FA Stksel LGCP Val T	5,843	10.25	59,891
FA Mid Cap Value T	6,035	15.05	90,827
			<u>2,205,548</u>
<b>Common/collective trusts</b>			
FA Stable Value	265,033	1.00	<u>265,033</u>
<b>Total investments at fair value</b>			<u>2,470,581</u>
<b>Participant loans</b>			
	interest rate of 6.00%		
	maturing through 2016		
			<u>57,977</u>
<b>Total investments</b>			<u><u>2,528,558</u></u>

GRAMERCY CAPITAL CORPORATION 401(k) PLAN  
FINANCIAL STATEMENTS AND  
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GRAMERCY CAPITAL CORPORATION 401(k) PLAN  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders  
of Gramercy Capital Corporation

We were engaged to audit the accompanying statement of net assets available for benefits for Gramercy Capital Corporation, 401(k) Plan as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the years then ended and supplementary schedule of Schedule H, line 4i-Schedule of Assets (Held At End of Year). These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 9, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2011 and 2010 and for the year ended December 31, 2011 that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The supplemental schedules are presented for the purpose of additional analysis and are not a required part of the financial statements but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee or custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Harris E. Fox & Company, P.C.

August 14, 2012

Gramercy Capital Corporation 401(k) Plan  
Statements of Net Assets Available for Benefits  
December 31, 2011 and 2010

Assets:	<u>2011</u>	<u>2010</u>
Investments at fair value	\$ 2,470,581	\$ 1,677,230
 Receivables:		
Employer's Contribution	241,540	217,757
Notes receivable from participants	<u>57,977</u>	<u>75,508</u>
Total receivables	<u>299,517</u>	<u>293,265</u>
 Total Assets	 <u>2,770,098</u>	 <u>1,970,495</u>
 Net assets reflecting investments at fair value available for benefits	 <u>\$ 2,770,098</u>	 <u>\$ 1,970,495</u>

*See accompanying notes to the financial statements*

Gramercy Capital Corporation 401(k) Plan  
Statements of Changes in Net Assets Available for Benefits  
For the years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Additions:		
Additions to net assets attributed to:		
Investment income:		
Net appreciation (depreciation)		
in fair value of investments	\$ (137,833)	\$ 149,752
Interest	4,082	3,584
Dividends	<u>63,376</u>	<u>28,479</u>
	<u>(70,375)</u>	<u>181,815</u>
Contributions:		
Participant	673,136	855,520
Employer	<u>241,540</u>	<u>217,757</u>
	<u>914,676</u>	<u>1,073,277</u>
Total additions	<u>844,301</u>	<u>1,255,092</u>
Deductions:		
Deductions from net assets attributed to:		
Benefits paid to participants	43,966	85,543
Operating expenses	<u>732</u>	<u>604</u>
Total deductions	<u>44,698</u>	<u>86,147</u>
Net increase	799,603	1,168,945
Net assets available for benefits:		
Beginning of year	<u>1,970,495</u>	<u>801,550</u>
End of year	<u>\$ 2,770,098</u>	<u>\$ 1,970,495</u>

*See accompanying notes to the financial statements.*

Gramercy Capital Corporation 401(k) Plan  
Notes to Financial Statements  
December 31, 2011 and 2010

1. Description of Plan

The following description of the Gramercy Capital Corporation 401 (k) Plan provides only general information. Participants should refer to the plan agreement for a more complete description of the plan's provisions.

- a. *General.* The plan is a defined contribution plan covering all full time employees of the company who have ninety (90) days of service and are age twenty-one or older. The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).
- b. *Contributions.* Each year, participants may contribute up to 75 percent of pretax annual compensation, as defined in the plan. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified plans. Participants direct the investment of their contributions into various investment options offered by the plan. The plan currently offers various mutual funds as options for participants. The company may make a discretionary matching employer contribution on behalf of each eligible participant during the contribution period. Discretionary matching employer contributions may be limited to a percentage of the participant's deferral or contributions up to a specified percentage of compensation or limit the amount of the match to a specified dollar amount.
- c. *Participant Accounts.* Each participant's account is credited with the participant's contribution and allocations of (a) the company's matching contributions and (b) plan earnings, and is charged with an allocation of administrative expenses. Allocations are based on participant's contributions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.
- d. *Vesting.* Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the company's contribution portion of their accounts is based on years of continuous service. A participant is 100% vested after 6 years of credited service.
- e. *Participant Loans.* Participants may borrow from their fund accounts a minimum of \$ 1,000 up to a maximum of 50% of their account balance. Loans are secured by the participant's account and bear interest at a rate equal to the prevailing interest rate determined by the plan administrator. Principal and interest are paid ratably through payroll deductions.

Gramercy Capital Corporation 401(k) Plan  
Notes to Financial Statements (continued)  
December 31, 2011 and 2010

- f. *Payment of Benefits.* Upon termination of service due to death, disability, or retirement, a participant may receive a lump-sum amount equal to the value of the participant's vested interest in his or her account. Upon termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.
- g. *Forfeited Accounts.* At December 31, 2011 and 2010 forfeited non-vested amounts totaled \$4,721 and \$6,319 respectively. These amounts will be used to reduce future employer contributions. Employer's contributions in 2011 were reduced by \$6,319 from forfeited non-vested accounts.

2. Summary of Accounting Policies

a. *Basis of Accounting*

The financial statements of the plan are prepared on the accrual basis of accounting.

b. *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

c. *Notes receivable from participants*

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable from participants are recorded as a distribution based upon the terms of plan document.

d. *Investment Valuation and Income Recognition*

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

e. *Payment of Benefits*

Benefits are recorded when paid.



Gramercy Capital Corporation 401(k) Plan  
Notes to Financial Statements (continued)  
December 31, 2011 and 2010

2. Summary of Accounting Policies (continued)

f. *Operating Expenses*

All expenses of maintaining the plan are paid by the company.

g. *Subsequent Events*

The plan has evaluated subsequent events through August 14, 2012, the date the financial statements were available to be issued.

3. Investments

The following schedule presents investments that represent 5 percent or more of the plan's net assets.

	<u>December 31,</u>	
	<u>2011</u>	<u>2010</u>
Blackrock Equity Dividend Fund	\$ 230,037	\$ 134,796
PIMCO Total Return	162,360	111,911
Oppenheimer Global Fund A	137,797	110,970
Dreyfus Bond Market Fund	185,521	122,923
FA Equity Growth Fund	147,177	95,741
FA Small Cap Fund	126,434	94,272
FA Stable Value (Collective Trust)	265,033	157,375
FA Freedom 2025	161,472	87,767
FA Small Cap Value Fund	132,347	95,250

Nonparticipant-directed

4. Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Gramercy Capital Corporation 401(k) Plan  
Notes to Financial Statements (continued)  
December 31, 2011 and 2010

4. Fair Value Measurements (continued)

- Level 2      Inputs to the valuation methodology include
- quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets or liabilities in inactive markets;
  - inputs other than quoted prices that are observable for the asset or liability;
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The assets or liabilities fair value measurement level within the fair value hierarchy are based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes to the methodologies used December 31, 2011 and 2010.

*Mutual funds:* Valued at the quoted net asset value (NAV) of shares held by the plan at year end.

*Common trusts:* Valued at the net asset value (NAV) of shares held by the plan at year end.

Assets at Fair Value as of December 31, 2011

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds:	\$2,205,548	--	--	\$2,205,548
Common Trusts:	<u>265,033</u>	<u>--</u>	<u>--</u>	<u>265,033</u>
	<u>\$2,470,581</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$2,470,581</u>

Gramercy Capital Corporation 401(k) Plan  
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December 31, 2011 and 2010

4. Fair Value Measurements (continued)

Assets at Fair Value as of December 31, 2010

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds:	\$1,519,855	--	--	\$1,519,855
Common Trusts:	<u>157,375</u>	<u>--</u>	<u>--</u>	<u>157,375</u>
	<u>\$1,677,230</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$1,677,230</u>

5. Tax Status

The Internal Revenue Service has determined and informed the company by a letter dated March 31, 2008, that the plan and related trust is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The plan administrator and the plan's tax counsel believe that the plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

6. Risk and Uncertainties

The plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

Gramercy Capital Corporation 401(k) Plan  
Notes to Financial Statements (continued)  
December 31, 2011 and 2010

8. Reconciliation of Financial Statements to Form 5500.

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2011 and 2010 to Form 5500:

	<u>2011</u>	<u>2010</u>
Net assets available for benefits per the Financial statements	\$2,770,098	\$1,970,495
Adjustment for difference between fixed value and market value	<u>8,740</u>	<u>2,999</u>
Net assets available for benefits per the Form 5500	<u>\$2,778,838</u>	<u>\$1,973,494</u>

9. Information prepared and certified by trustee and custodian

The Plan administrator has elected the method of compliance by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosures under ERISA. Accordingly, Fidelity Management Trust Company, the custodian of the Plan, has certified as being complete and accurate the investments on the statement of net assets available for benefits, and the investment information included in the supplemental schedule of the financial statements as of and for the year ended December 31, 2011 and 2010. Accordingly, as permitted under such section election, the Plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the information certified as complete and accurate by the Plan's custodian for their respective periods.

## **SUPPLEMENTARY INFORMATION**

Gramercy Capital Corporation 401(k) Plan  
Schedule H, line 4i - Schedule of Assets (Held At End of Year)  
December 31, 2011

			2011 Market Value
Description	Shares	Cost	
<b>Registered investment companies</b>			
Blackrock Equity Div A	12,674	18.15	230,038
PIM Total Return A	14,937	10.87	162,360
Oppenheimer Global A	2,550	54.04	137,797
Ev Div Builder A	10,069	9.80	98,679
Drey Bond Market Index	16,912	10.97	185,521
Janus Overseas S	2,160	31.28	67,562
FA Lev Co Stock T	2,619	29.86	78,201
FA High Inc Adv T	4,695	9.34	43,847
FA Equity Growth T	2,744	53.64	147,177
FA Small Cap T	6,102	20.72	126,434
FA Strat Income	4,248	12.07	51,274
FA Divers Intl T	2,999	13.56	40,664
FA Equity Value T	2,657	9.19	24,416
FA Freedom 2010 T	2,121	11.15	23,647
FA Freedom 2020 T	2,508	11.49	28,813
FA Freedom 2030 T	2,276	11.41	25,967
FA Freedom 2040 T	2,080	11.40	23,715
FA Freedom Inc T	483	10.64	5,137
FA New Insights T	5,573	19.46	108,449
FA Freedom 2005 T	94	10.88	1,018
FA Freedom 2015 T	291	11.10	3,225
FA Freedom 2025 T	14,706	10.98	161,472
FA Freedom 2035 T	2,077	10.67	22,158
FA Mid Cap II T	4,967	15.88	78,870
FA Small Cap Val T	9,660	13.70	132,347
FA Intl Discovery T	997	27.31	27,219
FA Freedom 2045 T	1,254	8.82	11,058
FA Freedom 2050 T	899	8.64	7,765
FA Stksel LGCP Val T	5,843	10.25	59,891
FA Mid Cap Value T	6,035	15.05	90,827
			<u>2,205,548</u>
<b>Common/collective trusts</b>			
FA Stable Value	265,033	1.00	<u>265,033</u>
<b>Total investments at fair value</b>			<u>2,470,581</u>
<b>Participant loans</b>			
	interest rate of 6.00%		
	maturing through 2016		
			<u>57,977</u>
<b>Total investments</b>			<u><u>2,528,558</u></u>