OCEANFIRST FINANCIAL CORP
Form DEF 14A
March 20, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. __)

Filed by the Registrant x Filed by a party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

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

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to ss. 240.14a-12

OceanFirst Financial Corp.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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

(1) Title of each class of securities to which transaction applies:

N/A

(2) Aggregate number of securities to which transactions applies:

N/A

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

N/A

(4) Proposed maximum aggregate value of transactions:

N/A

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N/A

¨ Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

N/A

(2) Form, Schedule or Registration Statement No.:

N/A

(3) Filing Party:

N/A

(4) Date Filed:

N/A

OCEANFIRST FINANCIAL CORP.

975 HOOPER AVENUE

TOMS RIVER, NEW JERSEY 08754-2009

(732) 240-4500

April 3, 2009

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of OceanFirst Financial Corp. (the Company), the holding company of OceanFirst Bank. The Annual Meeting will be held on May 7, 2009, at 10:00 a.m., Eastern time, at the Crystal Point Yacht Club, 3900 River Road, at the intersection of State Highway 70, Point Pleasant, New Jersey, 08742.

The Notice of Annual Meeting and the proxy statement appearing on the following pages describe the formal business to be transacted at the Annual Meeting. Directors and officers of the Company, as well as a representative of KPMG LLP, the Company s independent registered public accounting firm, will be present at the Annual Meeting to respond to appropriate questions of the Company s stockholders.

It is important that your shares are represented this year whether or not you are personally able to attend the meeting. Your cooperation is appreciated since a majority of the common stock must be represented, either in person or by proxy, to constitute a quorum for the conduct of business. You may still vote your shares by proxy by signing and returning the enclosed proxy card promptly.

On behalf of the Board of Directors and all of the employees of the Company and OceanFirst Bank, we thank you for your continued interest and support.

Sincerely yours,

John R. Garbarino

Chairman

OCEANFIRST FINANCIAL CORP.

975 HOOPER AVENUE

TOMS RIVER, NEW JERSEY 08754-2009

NOTICE OF 2009 ANNUAL MEETING OF STOCKHOLDERS

TIME AND DATE	10:00 a.m. on Thursday, May 7, 2009.
PLACE	The Crystal Point Yacht Club, 3900 River Road, at the intersection of State Highway 70, Point Pleasant, New Jersey.
ITEMS OF BUSINESS	(1) The election of three directors of the Company; (2) The ratification of the appointment of KPMG LLP as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2009; (3) Non-binding approval of the compensation of the Company s Senior Executive Officers as determined by the Human Resources/Compensation Committee; and (4) Such other matters as may properly come before the Annual Meeting or any adjournments thereof. The Board of Directors is not aware of any other business to come before the annual meeting.
RECORD DATE	In order to vote, you must have been a stockholder at the close of business on March 10, 2009.
PROXY VOTING	It is important that your shares be represented and voted at the meeting. You can vote your shares by completing and returning the proxy card or voting instruction card sent to you. Voting instructions are printed on your proxy card and included in the accompanying proxy statement. You can revoke a proxy at any time prior to its exercise at the meeting by following the instructions in the proxy statement.

John K. Kelly

Corporate Secretary

NOTE: Whether or not you plan to attend the Annual Meeting, please vote by marking, signing, dating and promptly returning the enclosed proxy card in the enclosed envelope.

OCEANFIRST FINANCIAL CORP.

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

MAY 7, 2009

This proxy statement is being furnished to stockholders of OceanFirst Financial Corp. (the Company) the holding company of OceanFirst Bank (the Bank) in connection with the solicitation by the Board of Directors of proxies to be used at the Annual Meeting of Stockholders to be held on May 7, 2009 at 10:00 a.m. Eastern time, at the Crystal Point Yacht Club, 3900 River Road, at the intersection of State Highway 70, Point Pleasant, New Jersey, 08742 and at any adjournment or postponement of the Annual Meeting. The Annual Report of Stockholders, including the consolidated financial statements of the Company and its subsidiaries for the fiscal year ended December 31, 2008, accompanies this proxy statement which is first being mailed to record holders on or about April 3, 2009.

Voting and Proxy Procedure

Who Can Vote at the Annual Meeting

You are entitled to vote your shares of the Company s common stock only if the records of the Company show that you held your shares as of the close of business on March 10, 2009. As of the close of business on that date, a total of 12,364,573 shares of OceanFirst Financial Corp. common stock were outstanding and entitled to vote. Each share of common stock has one vote. As provided in Article Fourth of the Company s Certificate of Incorporation, record holders of common stock who beneficially own in excess of 10% of the outstanding shares of common stock are not entitled to any vote in respect of the shares held in excess of this limit. A person or entity is deemed to beneficially own shares owned by an affiliate of, as well as by persons acting in concert with, such person or entity. The Company s Certificate of Incorporation authorizes the Board of Directors (i) to make all determinations necessary to implement and apply the limit, including determining whether persons or entities are acting in concert, and (ii) to demand that any person who is reasonably believed to beneficially own stock in excess of the limit supply information to the Company to enable the Board of Directors to implement and apply the limit.

Attending the Annual Meeting

If you are a beneficial owner of OceanFirst Financial Corp. common stock held by a broker, bank or other nominee (i.e., in street name), you will need proof of ownership to be admitted to the Annual Meeting. A recent brokerage statement or letter from a bank or broker are examples of proof of ownership. If you want to vote your shares of OceanFirst Financial Corp. common stock held in street name in person at the meeting, you must obtain a written proxy in your name from the broker, bank or other nominee who is the record holder of your shares.

Quorum and Vote required

The Annual Meeting will be held only if there is a quorum. A majority of the outstanding shares of common stock entitled to vote and represented at the Annual Meeting constitutes a quorum. If you return valid proxy instructions or attend the meeting in person, your shares will be counted for purposes of determining whether there is a quorum, even if you abstain from voting. Broker non-votes also will be counted for purposes of determining the existence of a quorum. A broker non-vote occurs when a broker, bank or other nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner.

In voting on the election of directors, you may vote in favor of all nominees, withhold votes as to all nominees or withhold votes as to specific nominees. There is no cumulative voting for the election of directors. Directors must be elected by a plurality of the votes cast at the Annual Meeting. This means that the nominees receiving the greatest number of votes will be elected. Votes that are withheld and broker non-votes will have no effect on the outcome of the election.

In voting to ratify the appointment of KPMG LLP as the independent registered public accounting firm, you may vote in favor of the proposal, against the proposal or abstain from voting. To be approved, this matter requires the affirmative vote of a majority of the votes cast at the Annual Meeting. Broker non-votes and abstentions will not be counted as votes cast and will have no effect on the voting.

In voting for the advisory proposal regarding the compensation of the Senior Executive Officers, you may vote in favor of the proposal, against the proposal or abstain from voting. To be approved, this matter requires the affirmative vote of a majority of the votes cast at the Annual Meeting. Broker non-votes and abstentions will not be counted as votes cast and will have no effect on the voting.

Voting by Proxy; Revocation of Proxy

This proxy statement is being sent to you by the Board of Directors of the Company for the purpose of requesting that you allow your shares of Company common stock to be represented at the Annual Meeting by the persons named in the enclosed proxy card. All shares of Company common stock represented at the Annual Meeting by properly executed and dated proxies will be voted in accordance with the instructions indicated on the proxy card. If you sign, date and return a proxy card without giving voting instructions, your shares will be voted as recommended by the Company s Board of Directors. **The Board of Directors recommends a voting FOR each of the nominees for director, FOR ratification of KPMG LLP as the independent registered public accounting firm and FOR the advisory proposal regarding the compensation of the Senior Executive Officers.**

If any matters not described in this proxy statement are properly presented at the Annual Meeting, the persons named in the proxy card will use their own judgment to determine how to vote your shares. This includes a motion to adjourn or postpone the Annual Meeting in order to solicit additional proxies. If the Annual Meeting is adjourned or postponed, your Company common stock may be voted by the persons named in the proxy card on the new meeting dates as well, unless you have revoked your proxy. The Company does not know of any other matters to be presented at the Annual Meeting.

You may revoke your proxy at any time before the vote is taken at the Annual Meeting. To revoke your proxy you must either advise the Corporate Secretary of the Company in writing before your common stock has been voted at the Annual Meeting, deliver a later dated and signed proxy card, or attend the Annual Meeting and vote your shares in person. Attendance at the Annual Meeting will not in itself constitute revocation of your proxy.

If your Company common stock is held in street name, you will receive instructions from your broker, bank or other nominee that you must follow in order to have your shares voted. Your broker, bank or other nominee may allow you to deliver your voting instructions via the telephone or the Internet. Please see the instruction form provided by your broker, bank or other nominee, that accompanies this proxy statement.

Participants in OceanFirst Financial Corp. s and OceanFirst Bank s Benefit Plans

If you participate in the OceanFirst Bank Employee Stock Ownership Plan or the OceanFirst Bank Matching Contribution Employee Stock Ownership Plan (collectively the ESOP), or the OceanFirst Bank Retirement Plan, (the 401(k) Plan), you will receive a voting instruction form for each plan that reflects all shares you may vote under the particular plan. Under the terms of the ESOP, the trustee votes all shares held by the ESOP, but each participant in the ESOP may direct the trustee how to vote the shares of the Company common stock allocated to his or her account. The ESOP trustee, subject to the exercise of its fiduciary duties, will vote all unallocated shares of Company common stock held by the ESOP and allocated shares of Company common stock for which no voting instructions are received in the same proportion as shares for which it has received timely voting instructions. Under the terms of the 401(k) Plan, a participant is entitled to direct the trustee how to vote the shares of Company common stock in the plan credited to his or her account. The trustee will vote all shares for which no directions are given or for which timely instructions were not received in the same proportion as shares for which such trustee received timely voting instructions. The deadline for returning your voting instructions to each plan s trustee is May 5, 2009.

If you have any questions about voting, please contact the Company s proxy solicitor, Georgeson Inc. by calling toll free at 866-206-4955.

CORPORATE GOVERNANCE

General

The Company periodically reviews its corporate governance policies and procedures to ensure that the Company meets the highest standards of ethical conduct, reports results with accuracy and transparency and maintains full compliance with the laws, rules and regulations that govern the Company s operations. As part of this periodic corporate governance review, the Board of Directors reviews and adopts best corporate governance policies and practices for the Company.

Corporate Governance Policies and Procedures

The Company has adopted a corporate governance policy to govern certain activities, including:

(1) the duties and responsibilities of the Board of Directors and each director;

(2) the composition and operation of the Board of Directors;

(3) the establishment and operation of Board committees;

(4) convening executive sessions of independent directors;

(5) succession planning;

(6) the Board of Directors interaction with management; and

(7) the evaluation of the performance of the Board of Directors, its committees and of the Chief Executive Officer.

Effective February 21, 2007, upon the recommendation of the Corporate Governance/Nominating Committee, the Board adopted the stock ownership guidelines (Guidelines) for non-employee directors and those executive officers named in the proxy statement (proxy officers). The Guidelines were adopted to better align the interests of the non-employee directors and those executive officers named in the proxy statement with those of the Company s stockholders. The Guidelines provide that each non-employee director must own shares of the Company s common stock equal in market value to three times the value of the combined annual director retainers received from the Company and the Bank. Current directors are expected to attain the minimum ownership within three years of adoption of the Guidelines. Newly elected directors must meet the Guidelines within three years of first being elected and qualified. For purposes of the Guidelines, the following shares count towards meeting the ownership requirements: 1) shares beneficially owned by the director and by immediate family members sharing the same household; 2) vested and unvested restricted stock awards; 3) shares acquired upon the exercise of stock options; and 4) shares held in trust where the director or an immediate family member is the beneficiary. Until the Guidelines are met, all retainers will be paid in Company stock, and a director must retain the net shares delivered upon the vesting of restricted share awards or the exercise of stock options. Once achieved, the ownership guidelines must continue to be met during the period the director serves on the Board.

Similarly, the Guidelines require the Chief Executive Officer to own Company stock with a value equal to five times his annual base salary. The other proxy officers must own Company stock with a value equal to three times their annual base salary. Each officer must meet the share ownership requirements within five years. Shares that count towards the Guidelines requirement include those shares listed under the directors share ownership requirements with the addition of shares held in the officer s ESOP and 401(k) account and the value of vested and unvested stock options, where such value is calculated as the cumulative expense recognized by the Company on its financial statements.

Code of Ethics and Standards of Personal Conduct

The Company and Bank have adopted a Code of Ethics and Standards of Personal Conduct that is designed to ensure that all directors, executive officers and employees of the Company and Bank, meet the highest standards of ethical conduct. The Code of Ethics and Standards of Personal Conduct requires that all directors, executive officers and employees avoid conflicts of interest, protect confidential information and customer privacy, comply with all laws and other legal requirements, conduct business in an honest and ethical manner and otherwise act with integrity and in the Company s best interest. Under the terms of the Code of Ethics and Standards of Personal Conduct, all directors, executive officers and employees are required to report any conduct that they believe in good faith to be an actual or apparent violation of the Code.

As a mechanism to encourage compliance with the Code of Ethics and Standards of Personal Conduct, the Company and Bank established procedures to receive, retain and treat complaints received regarding accounting, internal accounting controls or auditing matters. These procedures ensure that individuals may submit concerns regarding questionable accounting or auditing matters in a confidential and anonymous manner. The Code of Ethics and Standards of Personal Conduct also prohibits the Company from retaliating against any director, executive officer or employee who reports actual or apparent violations of the Code.

Meetings of the Board of Directors

The Board of Directors of the Company and the Bank conduct business through meetings and the activities of the Boards and their committees. Board members are encouraged to attend all Board and Committee meetings. Their attendance and performance are among the criteria considered for re-nomination to the Board of Directors. During the fiscal year ended December 31, 2008, the Company s Board of Directors held 9 meetings. The Directors of the Company attended all of the Board meetings and the committee meetings held on which such Directors served during the fiscal year ended December 31, 2008. The Board of Directors of the Company maintains an Audit Committee, a Human Resources/Compensation Committee and a Corporate Governance/Nominating Committee.

Committees of the Board of Directors

The following table identifies the standing committees and their members as of December 31, 2008.

Director	Audit Committee	Corporate Governance/ Nominating Committee	Human Resources/ Compensation Committee
Joseph J. Burke	X*	X	
Angelo Catania	X		
John W. Chadwick			
Carl Feltz, Jr.		X	X
Donald E. McLaughlin	X		
Diane F. Rhine			X*
John E. Walsh		X*	X
Number of Meetings in 2008	5	3	4

* Chairperson

Audit Committee. The Board of Directors has a separately-designated standing Audit Committee for the Company and Bank established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended. The Audit Committee acts under a written Charter adopted by the Board of Directors. The Charter is available on the Company s website (**www.oceanfirst.com**). Each member of the Audit Committee is independent in accordance with the listing standards of the Nasdaq Stock Market (Nasdaq). The Audit Committee meets periodically with the independent registered public accounting firm and management to review accounting, auditing, internal control structure and financial reporting matters. The Board has determined that Joseph J. Burke, the Audit Committee Chairman, Angelo Catania and Donald E. McLaughlin are audit committee financial experts under the Rules of the Securities and Exchange Commission. The report of the Audit Committee required by the Rules of the Securities and Exchange Commission is included in this proxy statement. See *Proposal 2-Ratification of Independent Registered Public Accounting Firm Report of Audit Committee.*

Corporate Governance/Nominating Committee. The Corporate Governance/Nominating Committee of the Company takes a leadership role in shaping governance policies and practices, including recommending to the Board of Directors the corporate governance guidelines applicable to the Company and monitoring compliance with these policies and guidelines. In addition, the Corporate Governance/Nominating Committee is responsible for identifying individuals qualified to become Board members and recommending to the Board the director nominees for election at the next annual meeting of stockholders. The Committee also recommends to the Board director candidates for each committee for appointment by the Board. Each member of the Corporate Governance/Nominating Committee is independent in accordance with the listing standards of the Nasdaq. The chairman of the Corporate Governance/Nominating Committee functions as lead independent director.

The Corporate Governance/Nominating Committee acts under a written Charter and the Corporate Governance Policy adopted by the Board of Directors. The Charter and the Policy are available on the Company s website (**www.oceanfirst.com**). The procedures of the Corporate Governance/Nominating Committee required to be disclosed by the rules of the Securities and Exchange Commission are included in this proxy statement. See *Corporate Governance/Nominating Committee Procedures.*

Human Resources/Compensation Committee. The Human Resources/Compensation Committee of the Company and the Bank (the Compensation Committee) meets to establish compensation for the executive officers and to review the incentive compensation program when necessary. The Compensation Committee acts under a written Charter adopted by the Board of Directors. The Charter is available on the Company s website (**www.oceanfirst.com**). The Compensation Committee is also responsible for establishing certain guidelines and limits for compensation and benefit programs for other salaried officers and employees of the Company and the Bank. Each member of the Compensation Committee is independent in accordance with the listing standards of the Nasdaq. The report of the Compensation Committee required by the Rules of the Securities and Exchange Commission is included in this proxy statement. See *Executive Compensation Compensation Committee Report on Executive Compensation.*

STOCK OWNERSHIP

The following table provides information as of March 10, 2009 with respect to the persons known by the Company to be the beneficial owners of more than 5% of its outstanding stock. A person is considered to beneficially own any shares of common stock over which he or she has, directly or indirectly, sole or shared voting or investment power.

Name and Address Of Beneficial Owner	Number of Shares Owned	Percent of Common Stock Outstanding
OceanFirst Bank, Employee Stock Ownership Plan (ESOP) and Matching Contribution ESOP 975 Hooper Avenue Toms River, New Jersey 08754-2009	1,941,012(1)	15.70%
OceanFirst Foundation 1415 Hooper Avenue Suite 304 Toms River, New Jersey 08753	1,419,593(2)	11.48%
John R. Garbarino 975 Hooper Avenue Toms River, New Jersey 08754-2009	863,627(3)	6.78%

(1) Under the terms of the ESOP and the Matching Contribution ESOP, the Trustee will vote all allocated shares held in the ESOP and the Matching Contribution ESOP in accordance with the instructions of the participants. As of March 10, 2009, 1,218,862 shares and 123,240 shares had been allocated under the ESOP and the Matching Contribution ESOP,

respectively, and 598,910 shares remain unallocated under the ESOP. Under the ESOP and the Matching Contribution ESOP, allocated shares and unallocated shares as to which voting instructions are not given by participants are to be voted by the Trustee in a manner calculated to most accurately reflect the instructions received from participants regarding the allocated stock so long as such vote is in accordance with the fiduciary provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

(2) All shares of Common Stock held by the Foundation must be voted in the same ratio as all other shares of the Company s Common Stock on all proposals considered by stockholders of the Company.

(3) Includes 382,094 vested options under various OceanFirst option plans.

The following table provides information as of March 10, 2009, about the shares of the Company common stock that may be considered to be beneficially owned by each director, nominee for director and the Senior Executive Officers listed in the table under *Executive Compensation Summary Compensation Table,* and by all such directors and executive officers of the Company as a group. A person may be considered to beneficially own any shares of common stock over which he or she has, directly or indirectly, sole or shared voting or investment power. Unless otherwise indicated, each of the named individuals has sole voting power and sole investment power with respect to the shares shown.

Name	Number of Shares Owned (excluding options)(1)	Number of Shares That May Be Acquired Within 60 Days by Exercising Options	Total Number of Shares Beneficially Owned	Percent of Common Stock Outstanding (2)
Directors				
Joseph J. Burke (9)	9,773	3,173	12,946	.10%
Angelo Catania (9)	6,442	3,173	9,615	.08%
John W. Chadwick (8)(9)	10,466	22,173	32,639	.26%
Carl Feltz, Jr. (9)	95,422	22,173	117,595	.95%
John R. Garbarino (3)(4)(10)	481,533	382,094	863,627	6.78%
Donald E. McLaughlin (5)(9)	64,502	22,173	86,675	.70%
Diane F. Rhine (6)(9)	46,607	22,173	68,780	.56%
John E. Walsh (9)	16,589	62,433	79,022	.64%
Senior Executive Officers who are not also Directors				
Michael J. Fitzpatrick (3)(11)	143,629	141,137	284,766	2.28%
Vito R. Nardelli (3)(11)	14,337	61,999	76,336	.61%
John K. Kelly (3)(7)(12)	106,361	46,544	152,905	1.23%
Joseph J. Lebel III (3)(13)	3,243	9,218	12,461	.10%
All directors and senior executive officers as a group (12 persons)	998,904	798,463	1,797,367	13.65%

(1) Each person effectively exercises sole (or shared with spouse or other immediate family members) voting power as to shares reported as of the Record Date.

(2) Percentages with respect to each person or group of persons have been calculated on the basis of 12,364,573 shares of the Company s Common Stock, the number of shares of Company Common Stock outstanding and entitled to vote as of March 10, 2009, plus the number of shares of Company Common Stock which such person or group of persons has the right to acquire within 60 days of March 10, 2009 by the exercise of stock options.

(3) Includes 51,925, 54,204, 6,494, 1,908 and 45,915 shares held in trust pursuant to the ESOP and matching ESOP which have been allocated to Messrs. Garbarino, Fitzpatrick, Nardelli, Lebel and Kelly, respectively, as of March 10, 2009. Such persons have sole voting power, but no investment power, except in limited circumstances, as to such shares.

(4) Includes 14,445 shares owned by Mr. Garbarino s wife and 11,788 shares held by Mr. Garbarino and his wife as co-Trustees.

(5) Includes 4,943 shares owned by Mr. McLaughlin s wife.

(6) Includes 700 shares for which Ms. Rhine acts as custodian.

(7) Includes 6,474 shares owned by Mr. Kelly s wife and 6,000 shares held by Mr. Kelly s wife as custodian.

(8) Includes 2,400 shares held by Mr. Chadwick as Trustee.

(9) Includes 1,021 unvested shares. On February 15, 2006, each non-employee director was awarded 345 unvested shares which vest at a rate of 20% per year commencing February 15, 2007 under the OceanFirst Financial Corp. Amended and Restated 1997 Incentive Plan. On February 21, 2007, each non-employee director was awarded 434 unvested shares which vest at a rate of 20% per year commencing March 1, 2008 under the 2006 Stock Incentive Plan. On February 20, 2008, each non-employee director was awarded 335 unvested shares which vest at a rate of 20% per year commencing March 1, 2009 under the 2006 Stock Incentive Plan. On February 18, 2009, each non-employee director was awarded 355 unvested shares which vest at a rate of 20% per year commencing March 1, 2010 under the 2006 Stock Incentive Plan.

(10) Includes 6,607 unvested shares. On February 15, 2006, Mr. Garbarino was awarded 4,658 unvested shares which vest at a rate of 20% per year commencing February 15, 2007 under the OceanFirst Financial Corp. Amended and Restated 1997 Incentive Plan. On February 21, 2007, Mr. Garbarino was awarded 3,909 unvested shares which vest at a rate of 20% per year commencing March 1, 2008 under the 2006 Stock Incentive Plan. On February 20, 2008, Mr. Garbarino was awarded 3,000 unvested shares which vest at a rate of 20% commencing March 1, 2009 under the 2006 Stock Incentive Plan.

(11) Includes 1,581 unvested shares. On February 21, 2007, Mr. Fitzpatrick and Mr. Nardelli were awarded 1,303 unvested shares which vest at 20% per year commencing March 1, 2008 under the 2006 Stock Incentive Plan. On February 20, 2008, Mr. Fitzpatrick and Mr. Nardelli were awarded 1,000 unvested shares which vest at a rate of 20% per year commencing March 1, 2009 under the 2006 Stock Incentive Plan.

(12) Includes 528 unvested shares. On February 21, 2007, Mr. Kelly was awarded 434 unvested shares which vest at 20% per year commencing March 1, 2008 under the 2006 Stock Incentive Plan. On February 20, 2008, Mr. Kelly was awarded 335 unvested shares which vest at a rate of 20% per year commencing March 1, 2009 under the 2006 Stock Incentive Plan.

(13) Includes 268 unvested shares. On February 20, 2008, Mr. Lebel was awarded 335 unvested shares which vest at a rate of 20% per year commencing March 1, 2009 under the 2006 Stock Incentive Plan.

PROPOSALS TO BE VOTED ON AT THE MEETING

Proposal 1. Election of Directors

The Company s Board of Directors currently consists of eight directors. All of the directors are independent under the current listing standards of Nasdaq, except for John R. Garbarino, Chairman, President and Chief Executive Officer of the Company and the Bank. The Board is divided into three classes with three-year staggered terms, with approximately one-third of the directors elected each year. Each of the members of the Board also serves as a director of the Bank. The Board of Directors nominees for election this year, to serve for a three year term or until their respective successors have been elected and qualified, are Messrs. John W. Chadwick and Carl Feltz, Jr. and Ms. Diane F. Rhine all of whom are currently directors of the Company and the Bank.

It is intended that the proxies solicited by the Board of Directors will be voted for the election of the nominees named above. If any nominee is unable to serve, the persons named in the proxy card will vote your shares and approve the election of any substitute proposed by the Board of Directors. Alternatively, the Board of Directors may adopt a resolution to reduce the size of the Board. At this time, the Board of Directors knows of no reason why any nominee might be unable to serve.

The Board of Directors recommends a vote FOR the election of Messrs. John W. Chadwick and Carl Feltz, Jr. and Ms. Diane F. Rhine.

Information With Respect to Nominees, Continuing Directors and Certain Executive Officers

Information regarding the Board of Directors nominees for election at the Annual Meeting, as well as information regarding the continuing directors and the executive officers listed in the table under *Executive Compensation - Summary Compensation Table* who are not directors (also referred to herein as Senior Executive Officers), is provided below. Unless otherwise stated, each individual has held his or her current occupation for the last five years. The age indicated for each individual is as of December 31, 2008. The indicated period of service as a director includes service as a director of OceanFirst Bank.

Nominees for Election of Director

John W. Chadwick retired as the General Manager of Point Bay Fuel, a petroleum products distributor in late 2006. Point Bay Fuel is not an affiliate of the Company. Mr. Chadwick has been a member of the Board of Directors since 2002. He is 67 years of age.

Carl Feltz, Jr. is a registered architect and is a principal in the firm of Feltz & Frizzell Architects, LLC. Feltz & Frizzell Architects, LLC is not an affiliate of the Company. Mr. Feltz has been a member of the Board of Directors since 1990. He is 70 years of age.

Diane F. Rhine is a partner in Citta Rhine, LLC, a real estate company. Citta Rhine, LLC is not an affiliate of the Company. Ms. Rhine has served on the Board of Directors since 1997. She is 59 years of age.

Directors Continuing in Office

The following directors have terms ending in 2010:

Donald E. McLaughlin is a Certified Public Accountant, retired. In 2005, he retired from Donald E. McLaughlin, CPA, P.C. Mr. McLaughlin has served on the Board of Directors since 1985. He is 61 years of age.

John E. Walsh is a licensed professional engineer and has been employed with CMX, currently as the NJ Region Operations Manager. Prior to that time he was President of Bay Pointe Engineering Associates, Inc. Neither CMX nor Bay Pointe Engineering Associates, Inc. is an affiliate of the Company. Mr. Walsh has served on the Board of Directors since 2000. He is 55 years of age.

The following directors have terms ending in 2011:

Joseph J. Burke is a Certified Public Accountant. He is a retired partner with KPMG LLP. KPMG LLP is not an affiliate of the Company. Mr. Burke has been a member of the Board since January 19, 2005. He is 61 years of age.

Angelo Catania is the managing member of HomeStar Services LLC, an air conditioning, heating and plumbing services company, where he has been employed since February 2005. Prior to that time he was President and Chief Operating Officer of Petro, Inc. Neither HomeStar Services LLC nor Petro, Inc. is an affiliate of the Company. He has been a member of the Board since January 18, 2006. He is 59 years of age.

John R. Garbarino has served as Chairman, President and Chief Executive Officer of the Company since 1996. He has served in various capacities for the Bank since 1971, and has been a member of the Bank s senior management since 1979. In 1985 he was elected President and Chief Executive Officer of the Bank. He has been a member of the Bank s Board of Directors since 1984, and was appointed Chairman of the Board in 1989. He is 59 years of age.

Senior Executive Officers Who Are Not Also Directors

Michael J. Fitzpatrick has been Executive Vice President and Chief Financial Officer of the Company since 1995. He has also been Executive Vice President and Chief Financial Officer of the Bank since 1992. Mr. Fitzpatrick has been employed by the Bank since 1992. He is 53 years of age.

Vito R. Nardelli has been Executive Vice President, Chief Operating Officer of the Bank since September 2005. He has been employed with the Bank since June 1, 2004. Prior to that date he was employed in the banking industry for approximately 30 years, most recently as Director of Retail Banking for The Trust Company of New Jersey and, until 2003, as Division President of the Dime Savings Bank of New Jersey. He is 59 years of age.

Joseph J. Lebel III has been First Senior Vice President, Chief Lending Officer of the Bank since May 2007. Before then, he was Senior Vice President of the Bank since he joined the Bank in April 2006. Before then, he was employed with Wachovia Bank N.A. for approximately 22 years, most recently as Senior Vice President. He is 46 years of age.

John K. Kelly has been First Senior Vice President and General Counsel of the Bank since May 2008 and before then was Senior Vice President and General Counsel of the Bank since 1990. He was Vice President and General Counsel of the Bank from 1988 until 1990. Mr. Kelly has been First Senior Vice President and Corporate Secretary of the Company since May 2008 and before then was Senior Vice President and Corporate Secretary of the Company since 1995. He has been Corporate Secretary of the Bank since 2002. Mr. Kelly has been employed by the Bank since 1988. He is 59 years of age.

Proposal 2. Ratification of Appointment

of the Independent Registered Public Accounting Firm

OceanFirst Financial Corp. s independent registered public accounting firm for the fiscal year ended December 31, 2008 was KPMG LLP. Acting on the recommendation of the Audit Committee, the Board of Directors reappointed KPMG LLP to continue as the independent registered public accounting firm for the Company for the fiscal year ending December 31, 2009, subject to ratification of such appointment by the stockholders. If stockholders do not ratify the appointment of KPMG LLP as the Company s independent registered public accounting firm, the Audit Committee may consider other independent registered public accounting firms.

Representatives of KPMG LLP will be present at the Annual Meeting. They will be given an opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions from stockholders present at the Annual Meeting.

The Board of Directors recommends that you vote FOR ratification of the appointment of KPMG LLP as the independent registered public accounting firm of the Company.

Audit Fees

The following table sets forth the fees billed to the Company for the fiscal years ended December 31, 2008 and December 31, 2007 by KPMG LLP:

	2008	**2007**
Audit fees	$ 418,000	$ 572,000
Audit related fees (1)	55,000	54,000
Tax related fees (2)	186,757	111,420
Other fees		
	$ 659,757	$ 737,420

(1) Audit-related fees are excluded from Audit Fees because the services were not required for reporting on the Company s consolidated financial statements. Such fees are principally related to audits of financial statements of employee benefit plans and audit procedures relating to the U.S. Department of Housing and Urban Development (HUD) reporting requirements.

(2) Consists of tax filing and tax related compliance and other advisory services.

The Audit Committee believes that the provision of non-audit services by KPMG LLP is compatible with maintaining KPMG LLP s independence.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of the Independent Registered Public Accounting Firm

The Audit Committee is responsible for appointing, setting compensation and overseeing the work of the independent registered public accounting firm. In accordance with its Charter, the Audit Committee approves, in advance, all audit and permissible non-audit services to be performed by the independent registered public accounting firm. Such approval process ensures that the independent registered public accounting firm does not provide any non-audit services to the Company that are prohibited by law or regulation.

During the year ended December 31, 2008, 100% of the audit related fees, tax related fees and other fees set forth above were approved by the Audit Committee.

Report of the Audit Committee

The Company s management is responsible for the Company s internal controls and financial reporting process. The Director of Internal Audit reports directly to the Audit Committee. The Director of Internal Audit conducted a risk assessment of the organization and submitted and implemented an internal audit plan for 2008.

The independent registered public accounting firm is responsible for performing an independent audit of the Company s financial statements and issuing an opinion on the conformity of these financial statements with generally accepted accounting principles. The Audit Committee oversees the Company s internal controls and financial reporting process on behalf of the Board of Directors.

The Audit Committee reviewed and discussed the annual financial statements with management and the Company s independent registered public accounting firm. As part of this process, management represented to the Audit Committee that the financial statements were prepared in accordance with generally accepted accounting principles. The Audit Committee also received and reviewed written disclosures and a letter from the independent registered public accounting firm regarding their independence as required under applicable standards for independent registered public accounting firms of public companies. The Audit Committee discussed with the independent registered public accounting firm the contents of such materials, their independence and additional matters required under Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T, including the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements.

In addition, the Audit Committee has received the written disclosures and the letter from the independent registered public accounting firm required by the Independence Standards Board Standard No. 1 (Independence Discussions With Audit Committees), as adopted by the Public Company Accounting Oversight Board in Rule 3600T and has discussed with the independent registered public accounting firm, the independent registered public accounting firm s independence from the Company and its management. In concluding that the independent registered public accounting firm was independent, the Audit Committee considered, among other factors, whether the non-audit services provided by the independent registered public accounting firm were compatible with the independent registered public accounting firm s independence.

The Audit Committee discussed with the Company s independent registered public accounting firm the overall scope and plans for their audit. The Audit Committee meets with the independent registered public accounting firm, with and without management present, to discuss the results of their examination, their evaluation of the Company s internal controls, and the overall quality of the Company s financial reporting.

In performing all of these functions, the Audit Committee acts only in an oversight capacity. In its oversight role, the Audit Committee relies on the work and assurances of the Company s management, which has the primary responsibility for financial statements and reports, and of the independent registered public accounting firm who, in their report, express an opinion on the conformity of the Company s financial statements to generally accepted accounting principles. The Audit Committee s oversight does not provide it with an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or policies, or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee s considerations and discussions with management and the independent registered public accounting firm do not assure that the Company s financial statements are presented in accordance with generally accepted accounting principles, that the audit of the Company s financial statements has been carried out in accordance with generally accepted auditing standards or that the Company s independent registered public accounting firm is in fact independent.

Based on such review and discussions, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in the Company s Annual Report on Form 10-K for the year ended December 31, 2008 for filing with the Securities and Exchange Commission. The Audit Committee also has approved, subject to stockholder ratification, the selection of the Company s independent registered public accounting firm.

The Audit Committee

Joseph J. Burke, CPA, Chairman

Donald E. McLaughlin, CPA, Retired

Angelo Catania

Proposal 3. Advisory Vote on Compensation of Senior Executive Officers

The Company s executive compensation program is intended to attract, motivate, reward and retain the senior management talent required to achieve its corporate objectives and increase shareholder value. The Company believes that its compensation policies and procedures are competitive, are focused on pay-for-performance principles and are strongly aligned with the long-term interests of its shareholders. The Company also believes that the Company and its shareholders benefit from responsive corporate governance policies and constructive and consistent dialogue. The proposal described below, commonly known as a Say on Pay proposal, gives you as a shareholder the opportunity to endorse or not endorse the compensation for the Senior Executive Officers by voting to approve or not approve such compensation as described in this proxy statement.

On February 17, 2009, President Barack Obama signed the American Recovery and Reinvestment Act of 2009 (ARRA) into law. ARRA requires, among other things, every participant in the Capital Purchase Program (CPP) to permit a non-binding shareholder vote to approve the compensation of the participant s executives. The Company voluntarily elected to participate in the CPP as established by the Emergency Economic Stabilization Act of 2008 (EESA). On January 16, 2009, the Company issued to the U.S. Department of the Treasury 38,263 shares of Fixed Rate Cumulative Perpetual Preferred Stock, Series A and a Warrant for 380,263 shares of Company common stock, in exchange for gross proceeds of $38.3 million. A complete description of the Company s participation in the CPP is included in the Annual Report on Form 10-K. As a participant in the CPP, the Company s shareholders are being asked to approve the compensation of the Company s Senior Executive Officers as described under Compensation Discussion and Analysis and the tabular disclosure regarding senior executive officer compensation (together with the accompanying narrative disclosure) in this proxy statement.

The Board of Directors urges shareholders to endorse the compensation program for the Company s executive officers by voting FOR Proposal 3. As discussed in the Compensation Discussion and Analysis contained in this proxy statement, the Human Resources/Compensation Committee of the Board of Directors believes that the Senior Executive Officer compensation for 2008 is reasonable and appropriate, is justified by the performance of the Company in an extremely difficult operating environment and is the result of a carefully considered, largely formulaic approach.

In deciding how to vote on this proposal, the Board urges you to consider the following factors, many of which are more fully discussed in the Compensation Discussion and Analysis:

- The Human Resources/Compensation Committee has designed the compensation packages for the Company s senior executives to be competitive with the compensation offered by those peers with whom it competes for management talent.

- The Company was profitable in every quarter in 2008.

- There is no history at this Company of any of the abusive compensation practices evidenced at some large financial institutions that have received so much recent negative publicity.

- The Company s compensation program does not encourage excessive and unnecessary risks that would threaten the value of the Company, as certified by the Human Resources/Compensation Committee.

Under ARRA, your vote is advisory and will not be binding upon the Board, may not be construed as overruling a decision by the Board or create or imply any additional fiduciary duty by the Board. The Human Resources/Compensation Committee will take into account the outcome of the vote when considering future executive compensation arrangements. This Proposal 3 does not restrict or limit the ability of shareholders to make proposals related to executive compensation for inclusion in future proxies.

The Board of Directors recommends that you vote FOR the non-binding approval of the Compensation of the Senior Executive Officers as determined by the Human Resources/Compensation Committee of the Board of Directors.

COMPENSATION DISCUSSION AND ANALYSIS

Overview

This section provides (i) a description of the structure and function of the Human Resources/Compensation Committee of the Board of Directors, (ii) a description of the objectives of the compensation program for the Senior Executive Officer (SEO) positions, (iii) a discussion of the design of the SEO compensation program and (iv) a discussion of each material element of the SEO compensation program and the rationale for choosing to make the payments listed in the tables following this section.

Objectives of the Compensation Programs

The Company has the following objectives for the executive officer compensation program:

- Attract, retain and reward highly qualified and productive executives by providing overall compensation that is competitive with other institutions with whom the Company competes for executive talent;
- Motivate each individual to perform, to the best of their ability, in order to achieve targeted goals for the Company and the individual;
- Improve Company performance, balance and avoid any unnecessary risk-taking with fundamental concepts of safety and soundness;
- Establish compensation levels that provide the greatest potential rewards for positions of greatest responsibility within a framework that is internally equitable; and
- Promote the long-term increase in the value of the Company by providing a portion of compensation in the form of Company common stock and stock options that vest over a period of years.

Impact of Recent Legislation and Regulation Affecting Executive Compensation

Financial institutions such as the Company, that voluntarily elected to participate in the CPP are subject to various restrictions on executive compensation and corporate governance, as established by EESA, the regulations of the Department of the Treasury and the recently enacted ARRA. Under these laws and regulations, during the time that the Department of the Treasury holds an interest in the Company:

- The Company s Human Resources/Compensation Committee must annually review with the Chief Risk Officer the compensation arrangements of SEOs to ensure that such arrangements do not encourage the SEOs to take unnecessary and excessive risks and to discuss and review the relationship between risk management policies and SEO incentive compensation. The Compensation Committee must certify that it has completed the reviews of the SEO compensation and provide such certification in the proxy statement of the Company. The certification of the Human Resources/Compensation Committee of the Company is included in this Compensation Discussion and Analysis.
- Bonuses, retention awards and incentive compensation paid to the SEOs and any of the next 20 most highly compensated employees are subject to recovery or clawback if the payments were based on materially inaccurate financial statements or any other materially inaccurate information.

No golden parachute payments may be paid to the SEOs and any of the next five most highly compensated employees. The term golden parachute means any severance payment resulting from termination of employment, except for services performed or benefits accrued. Whether or not the limitation would actually affect an executive officer will depend on several factors, including whether the Company is still a participant in the CPP at the time of the executive s departure.

The Company may not take income tax deductions for compensation payments to SEOs in excess of $500,000.

The Company cannot pay to, or accrue for the benefit of, the five most highly compensated employees any bonus, retention award or incentive compensation, except for the payment of long-term restricted stock that has a value that is not greater than $^{1}/3$ of the SEO s total annual compensation and does not fully vest during the period in which the Treasury Department holds its stock. This restriction does not apply to any bonus payment required to be paid pursuant to a written employment contract executed on or before February 11, 2009.

The Company may not pay any compensation that would encourage an employee to manipulate the Company s reported earnings in order to enhance his or her compensation or that would encourage an SEO to take unnecessary or excessive risks.

The Company s Human Resources/Compensation Committee must meet at least semi-annually to discuss and evaluate employee compensation plans in light of any proposed risk to the Company from such plans.

The Company s proxy statement must permit a separate non-binding, shareholder vote to approve the compensation of executives. The Company s Say on Pay proposal is included in this Proxy Statement as Proposal 3.

The ARRA directs the U.S. Treasury Department to issue regulations implementing the above described restrictions on compensation. Such regulations when adopted may affect the Company s future compensation arrangements.

As part of the analysis and decision-making relating to the Company s participation in the CPP, the Human Resources/Compensation Committee and the Board of Directors were apprised of the restrictions and limitations on executive compensation that would be imposed on the Company s executive compensation program.

Except as expressly mentioned otherwise, the following discussion does not address the effect, if any, compliance with the ARRA may have on the Company s executive compensation programs.

Compensation Corporate Governance

Human Resources/Compensation Committee

The Human Resources/Compensation Committee is responsible for establishing compensation for the SEOs and for establishing certain guidelines and limits for compensation and benefits programs for other salaried officers and employees of the Company and the Bank. The Human Resources/Compensation Committee annually reviews and evaluates base salary and annual bonus recommendations made for SEOs by the CEO along with the rationale for such recommendations. The Human Resources/Compensation Committee also recommends to the Board for approval the compensation for the CEO and SEOs. The CEO does not participate in the Human Resources/Compensation Committee s decision as to his compensation package. In establishing compensation levels, the Human Resources/Compensation Committee considers the Company s overall objectives and performance, peer group comparisons and individual performance. The Human Resources/Compensation Committee is composed entirely of independent non-employee directors. The members of the Human Resources/Compensation Committee for fiscal 2008 were Diane F. Rhine (Chairperson), John E. Walsh and Carl Feltz, Jr.

Human Resources/Compensation Committee Charter

The Human Resources/Compensation Committee s Charter reflects the Human Resources/Compensation Committee s responsibilities described above. The Charter is periodically reviewed by the Human Resources/Compensation Committee and the Board of Directors. The Charter was most recently revised in February 2009 to clarify the Human Resources/Compensation Committee s responsibilities regarding compliance with the CPP and the regulations related thereto issued by the U.S. Department of the Treasury. A copy of the current Charter is available on the Company s website (**www.oceanfirst.com**).

Compensation Consultant/Role of Management

The Human Resources/Compensation Committee has authority under its Charter to engage the services of independent third party experts to assist in reviewing and determining executive officer compensation. Pursuant to this authority, in December 2006 the Human Resources/Compensation Committee engaged Mercer Consulting, a nationally recognized consulting firm specializing in compensation and employee benefits, to provide an independent review of the executive officer and director compensation and benefits. The objectives of the independent review were to (i) assess the competitiveness of the Company s total compensation program for executive officers and non-employee directors; and (ii) review performance based cash and stock compensation practices among peer banks. The consultant compared base salary, benefits, annual incentive and long term incentive compensation for each executive officer to a peer group of banking institutions having similar characteristics to the Company. Mercer s 2006 Executive Compensation Survey report indicated that the Company s total cash compensation benefits and long-term stock based incentives were competitive and within market practice. The report was used as a reference point for setting the 2007 and 2008 compensation.

In late May 2008, the Human Resources/Compensation Committee engaged Watson Wyatt Worldwide (Watson Wyatt) to perform a similar study to be used for setting 2009 and 2010 compensation. Watson Wyatt developed a peer group which approximates the Company s operations, locale and size, which was used as a benchmark for pay and performance; reviewed the current level of executive compensation against peers; assessed the Company s performance against peers and studied current director compensation levels against peers. The peer group selected by Watson Wyatt included:

Alliance Financial Corp. (NY)	Center Bancorp, Inc. (NJ)
Dime Community Bancshares (NJ)	Flushing Financial Corp. (NY)
Hudson Valley Holding Corp. (NY)	Kearny Financial Corp. (NJ)
Lakeland Bancorp, Inc. (NJ)	Peapack-Gladstone Financial Corp. (NJ)
Provident New York Bancorp (NY)	Rockville Financial Inc. (NY)
Smithtown Bancorp, Inc. (NY)	State Bancorp (NY)
Sterling Bancorp. (NY)	Suffolk Bancorp (NY)
Trustco Bank Corp (NY)	

Based on its review, Watson Wyatt found that the Company s executive compensation closely tracks the median of the peers in both total cash and total direct compensation. The report will be used as a reference point for establishing 2009 and 2010 compensation.

Executive management and outside advisors are invited to Human Resources/ Compensation Committee meetings to provide their views on compensation matters. The CEO participates in the process of determining senior officer compensation by making recommendations to the Human Resources/Compensation Committee as requested by the Human Resources/Compensation Committee regarding base salary adjustments, incentive plan awards and equity plan awards. Mr. Garbarino does not participate in decisions relating to his compensation.

Human Resources/Compensation Committee Activities in 2008 and Early 2009

The Human Resources/Compensation Committee met 4 times during the fiscal year ended December 31, 2008. Among other actions taken in 2008, the Human Resources/ Compensation Committee reviewed the Bank Officers compensation, incentive goals and incentive compensation, and recommended the awards of stock options and awards of restricted stock to the Bank Officers, SEOs and non-employee directors for consideration by the Board.

In March 2009, the Human Resources/Compensation Committee met with the Chief Risk Officer as required by Treasury Department regulations. As part of its review, the Human Resources/Compensation Committee received a presentation regarding risks to which the Company is subject, including strategic, liquidity, interest rate, operational, credit quality, regulatory and other risks. The Human Resources/Compensation Committee also received an analysis of the controls in place, as well as an analysis of the Company s executive compensation program. Based on this review, the Human Resources/Compensation Committee concluded that the Company s executive compensation program does not encourage the Company s SEOs to take excessive or unnecessary risks that threaten the value of the franchise. The Human Resources/Compensation Committee will conduct a similar review on a semi-annual basis as required by the ARRA.

Compensation Program Design

Cash Compensation

Current cash compensation consists of base salary and a performance-based cash bonus under the annual Incentive Compensation Plan. The base salary levels for the SEOs are intended to be competitive with the practices of comparable financial institutions at appropriate levels to motivate individuals to discharge the responsibilities of their position. The Human Resources/Compensation Committee adjusts the SEO base salary annually. In making these adjustments, the Human Resources/Compensation Committee takes into account individual and Company performance; the total current and potential compensation of a given officer; the levels of compensation paid by institutions that compete with OceanFirst for executive talent; and the relative level of compensation in comparison to other executive officers. Messrs. Garbarino, Nardelli and Fitzpatrick have employment agreements with OceanFirst and receive base salaries under those agreements, subject to annual review and adjustments. The Human Resources/ Compensation Committee makes salary decisions in an annual review for the SEOs with input from the CEO. Mr. Garbarino does not participate in decisions relating to his compensation.

Impact of Performance on Cash Compensation

Under the 2008 Incentive Compensation Plan, a significant portion of each executive officer s annual cash compensation is contingent on the performance of the Company, the Bank and the individual. Under the Incentive Compensation Plan, a variable bonus pool is established annually based on the Company s level of achievement of pre-established financial performance objectives. Ordinarily, bonuses to SEOs are awarded based on the total amount of the bonus pool and individual performance assessment scores and achievement of individual performance goals. Results of this program during 2008 are discussed below under Cash Incentive Awards.

During the annual budget process, Management recommended and the Board approved the deferral of all officers and SEOs annual performance evaluations and salary increases. Management made this recommendation based upon their analysis of the current and projected economic conditions. The officers and SEOs annual performance evaluations and any salary increases were deferred until July 2009. The current officers and SEOs salaries will remain in effect until that time.

While officers and SEOs salary reviews were deferred until July 2009, the Company, for purposes of the 2009 compensation budget, projected salary increases at a 3% level for all eligible individuals. This percentage is down from the previous year of 4%, based on market and economic conditions remaining depressed. This effort will assist in reducing the compensation expenses of the Bank.

In addition to the performance-based compensation paid under the Incentive Compensation Plan, the Company may from time to time make discretionary cash bonus payments to rectify inequities or recognize outstanding performance.

Equity Compensation Plan

During fiscal 2008, the Company used the 2000 Stock Option Plan and 2006 Stock Incentive Plan (the Stock Plans) to attract, retain and motivate non-employee directors and employees by providing for or increasing their economic interests in the success of the Company. Equity grants under the Stock Plans complement total compensation packages as well as enable the Company to align director and executive management interests as shareholders of the Company. The Stock Plans provide for awards of stock options and restricted stock. Awards under the Stock Plans are described under *Elements of Compensation Equity Incentive Awards.*

Elements of Compensation

Overview

The SEO compensation program consists of the following elements: (1) base salary; (2) a performance-based annual cash bonus under the annual Incentive Compensation Plan; (3) retirement benefits under the Employee Stock Ownership Plan and 401(k) Plan and welfare benefits under the group benefit programs; (4) supplemental retirement benefits for select SEOs under the Supplemental Executive Retirement Plan; (5) Company-paid automobile benefit for selected SEOs; (6) awards of stock options and restricted shares of Company common stock under the equity compensation plans; (7) eligibility for payments and benefits in the event of certain employment terminations and/or in the event of a change in control of the Company; and (8) nonqualified deferred compensation under the Deferred Compensation Plan for Executives. The following describes the elements of compensation and provides information on the decisions regarding 2008 compensation.

Cash Incentive Awards

The Company determined cash incentive awards for 2008 in accordance with guidelines established by the Human Resources/Compensation Committee. The SEO annual Incentive Compensation Bonus is contingent on the performance of the Company, the Bank and the individual. The Incentive Compensation Plan compares actual performance against targets that are approved by the Human Resources/Compensation Committee at the beginning of each year. The targets are weighted between individual objectives and the Company s success in achieving its financial goals. Targeted bonus levels in 2008 range from 25% to 50% of base salary. Ordinarily, based on performance and achievement of goals, actual bonus under the Plan may range from 50% of targeted bonus levels for threshold performance to 150% for superior performance. Generally, the higher the level of responsibility of the officer or employee in the Company the greater the percentage of base salary that may be awarded under the Plan for achievement of performance goals. For 2008, the Company performance metric was based on return on equity, efficiency ratio, fee income and internal audit scores. Payouts under the Plan totaled $206,561, $103,309, $77,554, $54,176 and $33,947 for Messrs. Garbarino, Nardelli, Fitzpatrick, Lebel and Kelly, respectively. If required by ARRA, the Company may make payments of such amounts in shares of restricted stock. See *Impact of Recent Legislation and Regulation Affecting Executive Compensation.*

Equity Incentive Awards

The Board, at the recommendation of the Human Resources/Compensation Committee, approved the grant of awards to the SEOs under the 2006 Stock Incentive Plan and the 2000 Stock Option Plan at a scheduled meeting on February 20, 2008. The award levels and vesting schedule were determined based on various factors including performance and responsibilities of individual executives and the amount of awards previously granted. Awards of options under the plan were structured to avoid limitations on the Company s compensation cost deduction due to the $1 million deduction limit under Section 162(m) of the Internal Revenue Code. While the Company remains a participant in the CPP, the Company cannot deduct for tax purposes any compensation paid to certain executive officers in excess of $500,000. Awards in 2008 to the Senior Executive are presented under the Option Award and Stock Award columns of the Summary Compensation Table and the Grants of Plan-Based Awards Table.

Benefits

All SEOs participate in the benefit plans generally available to the employees, including medical insurance, the 401(k) Plan and the Employee Stock Ownership Plan. The Company also maintains a Supplemental Executive Retirement Plan covering selected eligible SEOs. This plan is intended to promote continued service of covered executives by providing a supplement to the executive s other retirement benefits. The benefit is based on final cash compensation and length of service with the Company.

Perquisites

The Company provided perquisites to selected SEOs in the form of Company-paid automobile benefits and golf club dues.

Deferred Compensation

The Bank provides the SEOs with an opportunity to elect to defer current compensation under the Deferred Compensation Plan for Executives (Deferral Plan). The Deferral Plan permits eligible executives selected by the Bank s Board to elect to defer receipt of up to 100% of base salary and annual bonus pursuant to the terms of the Deferral Plan.

Employment Agreements

The Bank and the Company have entered into employment agreements with Messrs. Garbarino, Nardelli and Fitzpatrick (individually, the Executive). The employment agreements are intended to ensure that the Bank and the Company will be able to maintain a stable and competent management base. The continued success of the Bank and the Company depends to a significant degree on the skills and competence of Messrs. Garbarino, Nardelli and Fitzpatrick.

The employment agreements provide for a three-year term for the Executives. The Bank employment agreement provides that, upon each fiscal year-end, the Board of the Bank may extend the agreement for an additional year so that the remaining term shall be three years, unless written notice of non-renewal is given by the Board of the Bank after conducting a performance evaluation of the Executive. The term of the Company employment agreement is extended on a daily basis unless written notice of non-renewal is given by the Board of the Company. In addition to the base salary, the agreements provide for, among other things, participation in stock benefit plans and other fringe benefits applicable to executive personnel.

The agreements provide for termination, at any time, by the Bank or the Company for cause as defined in the agreements. In the event the Bank or the Company chooses to terminate the Executive s employment for reasons other than for cause, or in the event of the Executive s resignation from the Bank and the Company upon: (1) failure to re-elect the Executive to his current offices; (2) a material change in the Executive s functions, duties or responsibilities; (3) material change in the Executive s principal place of employment; (4) material reduction in the Executive s salary; (5) a material breach of the agreement by the Bank, the Company, or the Executive, or in the event of Executive s subsequent death, his beneficiary, beneficiaries or estate, as the case may be, would be entitled to receive an amount equal to the remaining base salary payments due to the Executive and the contributions that would have been made on the Executive s behalf to any employee benefit plans of the Bank or the Company during the remaining term of the agreement. The Bank and the Company would also continue to pay for the Executive s life, health and disability coverage for the remaining term of the employment agreement.

Under the agreements, if voluntary or involuntary termination follows a change in control of the Bank or the Company (as defined in the employment agreement), the Executive or, in the event of the Executive s death, his beneficiary, would be entitled to a severance payment equal to the greater of: (1) the payments due for the remaining term of the agreement; or (2) three times the average of the five preceding taxable years compensation. Such average compensation includes not only base salary, but also commissions, bonuses, contributions on behalf of the Executive to any pension or profit sharing plan, insurance payments, directors or committee fees and fringe benefits paid or to be paid to the Executive during the preceding five taxable years. The Bank and the Company would also continue the Executive s life, health, and disability coverage for thirty-six months. Although both the Company and the Bank agreements provide for a severance payment in the event of a termination by the Company or the Bank, or in the event of a termination following a change in control, the Executive would only be entitled to receive a severance payment under one agreement.

Payments to the Executive under the Bank s agreement will be guaranteed by the Company in the event that payments or benefits are not paid by the Bank. Payment under the Company s agreement would be made by the Company. All reasonable costs and legal fees paid or incurred by the Executive pursuant to any dispute or question of interpretation relating to the agreements shall be paid by the Bank or Company, respectively, if the Executive is successful on the merits pursuant to a legal judgment, arbitration or settlement. The employment agreements also provide that the Bank and Company shall indemnify the Executive to the fullest extent allowable under federal and Delaware law, respectively.

Change in Control Agreements

For similar reasons as with the employment agreements, the Bank and the Company entered into change in control agreements (CIC Agreements) with Messrs. Kelly and Lebel (the Executive). The CIC Agreement provides for a two-year term. Commencing on the date of the execution of the Company s CIC Agreement, the term is extended for one day each day until such time as the Board of Directors of the Company or the Executive elects by written notice not to extend the term, at which time the CIC Agreement will end on the second anniversary of the date of notice. The Company s CIC Agreement provides that in the event voluntary or involuntary termination follows a change in control of the Bank or the Company (as defined in the agreement), the Executive would be entitled to a severance payment equal to two (2) times the Executive s average annual compensation for the five years preceding termination. Annual compensation includes Base Salary, commissions, bonuses, contributions on behalf of the Executive to any pension and profit sharing plan, severance payments and fringe benefits paid or to be paid the Executive during such years. Additionally, in the event the Executive has been employed less than five years at the time of termination in connection with a change in control, the Executive s annual compensation shall be annualized for any partial taxable year of employment or service as if the Executive was employed or served for the full taxable year. The Bank s CIC Agreement is similar to that of the Company. The Bank CIC Agreement provides that, upon each anniversary of the date of the execution of the Agreement, the Board of the Bank may extend the CIC Agreement for an additional year so that the remaining term shall be two years, unless written notice of non-renewal is given by the Board of the Bank after conducting a performance evaluation of the Executive. However, any payments to the Executive under the Bank s CIC Agreement, would be subtracted from any amount due simultaneously under the Company s CIC Agreement. The Company and the Bank would also continue and pay for the Executive s life, health and disability coverage for thirty-six (36) full calendar months following termination.

Payments to the Executive under the Bank s CIC Agreement are guaranteed by the Company in the event that payments or benefits are not paid by the Bank.

Payments under the employment agreements and change in control agreements in the event of a change in control may constitute some portion of an excess parachute payment under section 280G of the Code for executive officers, resulting in the imposition of an excise tax on the recipient and denial of the deduction for such excess amounts to the Company and the Bank.

The Senior Executive Officers each granted a waiver acknowledging possible modifications to the Executive s compensation and benefits, including those benefits under the employment agreements and the change in control agreements, in order to comply with the restrictions on compensation discussed above under *Impact of Recent Legislation and Regulation Affecting Executive Compensation* . The Human Resources/Compensation Committee will review the effect of compliance with the ARRA limitations on the Company s competitive positioning and ability to retain and motivate its high-performing executives and employees. Appropriate changes may become critical to the Company s ability to maintain its competitive position.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth certain summary information regarding the compensation paid or accrued by the Company during the fiscal year ended December 31, 2008 to or for the account of the CEO, Chief Financial Officer, and the other three (3) most highly compensated executive officers of the Company:

Name and Principal Position	Year	Salary ($)	Stock Awards ($)[1]	Option Awards ($)[2]	Non-Equity Incentive Plan Compensation ($)[3]	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)[4]	All Other Compensation ($)	Total ($)
John R. Garbarino,	2008	528,616	48,284	139,820	206,561		423,630(5)	1,346,911
President and Chief Executive Officer of the Company and the Bank	2007	510,692	37,292	106,864	128,000		405,215	1,188,063
	2006	493,538	19,360	53,692			375,166	941,756
Michael J. Fitzpatrick,	2008	235,615	8,720	55,373	77,554	6,979	93,852(6)	478,093
Executive Vice President and Chief Financial Officer of the Company and the Bank	2007	226,785	5,055	44,387	45,480	6,298	103,547	431,552
	2006	218,755		25,568		1,671	98,748	344,742
Vito R. Nardelli,	2008	278,977	8,720	55,373	103,309	2,731	93,843(7)	542,953
Executive Vice President and Chief Operating Officer of the Bank	2007	268,400	5,055	44,387	60,548	2,263	99,087	479,740
	2006	259,231		25,568		494	76,138	361,431
Joseph J. Lebel III,	2008	193,662	985	15,878	54,176		24,395(8)	289,096
First Senior Vice President and Chief Lending Officer of the Bank	2007	174,738		12,365	60,204		24,744	272,051
	2006	98,654		6,333	20,680		4,614	130,281
John K. Kelly,	2008	194,139	2,909	18,458	33,947	2,868	57,078(9)	309,399
General Counsel of the Bank, First Senior Vice President and Corporate	2007	186,908	1,684	14,796	40,179	2,614	67,742	313,923
Secretary of the Company and the Bank	2006	180,460		8,523		683	64,665	254,331

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(1) Reflects the value of restricted stock awards granted to the executive officers under the 2006 Stock Incentive Plan (the 2006 Stock Incentive Plan) based on the value expensed on the Company s financial statements in 2008, 2007 and 2006 in accordance with Statement of Financial Accounting Standards No. 123R (FAS 1231(7), disregarding any impact of assumed forfeiture rates. See note 1 to Company s consolidated financial statements for the year ended December 31, 2008, filed with the Company s Form 10-K for assumptions made in the valuation.

(2) Reflects the value of stock option awards granted to the executive officers under the 2000 Stock Option Plan based on the value expensed on the Company s financial statements in 2008, 2007 and 2006 in accordance with FAS 123R, disregarding any impact of assumed forfeiture rates. See note 1 to Company s consolidated financial statements for the year ended December 31, 2008, filed with the Company s Form 10-K for assumptions made in the valuation.

(3) Reflects payments made for each respective year under the Incentive Compensation Plan. No payments for 2006 performance were made to Messrs. Garbarino, Nardelli, Fitzpatrick and Kelly under the Incentive Compensation Plan as the Company-wide goals were not attained. In 2007, the Human Resources/Compensation Committee reduced the payouts under the plan by setting the maximum target bonus at 50% for Messrs. Garbarino, Nardelli and Fitzpatrick and at 100% for Messrs. Lebel and Kelly. The passage of ARRA created uncertainty surrounding the status of payments to SEOs under the Incentive Compensation Plan for 2008. Accordingly, each of the SEOs signed a statement acknowledging the amount paid for 2008 will be repaid to the Company if required pursuant to regulations yet to be issued by the U.S. Treasury Department. In such case, if permitted, the 2008 incentive compensation may be paid out in the form of long-term restricted stock. In 2008, payouts under the Plan totaled $206,561, $103,309, $77,554, $54,176 and $33,947 for Messrs. Garbarino, Nardelli, Fitzpatrick, Lebel and Kelly, respectively.

(4) Reflects the above-market earnings on amounts deferred under the Deferred Compensation Plan for Executives during fiscal 2008, 2007 and 2006.

(5) Includes (a) the market value of Company Employee Stock Ownership Plan allocation of $15,100 in 2008, $31,050 in 2007 and $30,985 in 2006; (b) Company matching contribution to the 401(k) Plan of $8,050 in 2008, $3,100 in 2007 and $0 in 2006; (c) allocations under the Supplemental Executive Retirement Plan of $372,832 in 2008, $343,742 in 2007 and $322,745 in 2006; (d) Company-paid life insurance premiums of $3,612 in 2008, $3,612 in 2007 and $1,170 in 2006; (e) Company-provided automobile benefit of $14,774 in 2008, $14,870 in 2007 and $12,024 in 2006; and (f) Company-paid club dues of $9,262 in 2008, $8,841 in 2007 and $8,242 in 2006.

(6) Includes (a) the market value of Company Employee Stock Ownership Plan allocation of $15,100 in 2008, $31,050 in 2007 and $30,764 in 2006; (b) Company matching contribution to the 401(k) Plan of $8,050 in 2008, $6,395 in 2007 and $7,135 in 2006; (c) allocations under the Supplemental Executive Retirement Plan of $56,316 in 2008, $51,089 in 2007 and $46,420 in 2006; (d) Company-paid life insurance premiums of $1,168 in 2008, $1,118 in 2007 and $685 in 2006; and (e) Company provided automobile benefit of $13,218 in 2008, $13,895 in 2007 and $13,744 in 2006.

(7) Includes (a) the market value of Company Employee Stock Ownership Plan allocation of $15,100 in 2008, $31,050 in 2007 and $30,985 in 2006; (b) Company matching contribution to the 401(k) Plan of $8,050 in 2008, $3,100 in 2007 and $9,450 in 2006; (c) allocations under the Supplemental Executive Retirement Plan of $59,899 in 2008, $54,802 in 2007 and $28,892 in 2006; (d) Company-paid life insurance premiums of $2,632 in 2008, $2,523 in 2007 and $811 in 2006; and (e) Company-provided automobile benefit of $8,162 in 2008, $7,612 in 2007 and $6,000 in 2006.

(8) Includes (a) the market value of Company Employee Stock Ownership Plan allocation of $12,679 in 2008, $12,942 in 2007 and $0 in 2006; (b) Company matching contribution to the 401(k) Plan of $5,106 in 2008, $5,553 in 2007 and $534 in 2006; (c) allocations under the Supplemental Executive Retirement Plan of $0; (d) Company-paid life insurance premiums of $610 in 2008, $248 in 2007 and $80 in 2006; and (e) Company-provided automobile benefit of $6,000 in 2008, $6,000 in 2007 and $4,000 in 2006.

(9) Includes (a) the market value of Company Employee Stock Ownership Plan allocation of $12,709 in 2008, $25,725 in 2007 and $25,379 in 2006; (b) Company matching contribution to the 401(k) Plan of $4,854 in 2008, $5,951 in 2007 and $7,440 in 2006; (c) allocations under the Supplemental Executive Retirement Plan of $37,761 in 2008, $34,389 in 2007 and $31,281 in 2006; and (d) Company-paid life insurance premiums $1,754 in 2008, $1,677 in 2007 and $565 in 2006.

Grants of Plan-Based Awards

The following table sets forth certain information regarding stock options and restricted stock awards to the executive officers of the Company during the Company s fiscal year ended December 31, 2008.

		Estimated Potential Payouts Under Non-Equity Incentive Plan Awards(2)			All Other Stock Awards: Number of Shares of Stock or Units	All Other Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards	Closing Market Price of Shares on the Date of Grant	Grant Date Fair Value of Stock and Option
Name	**Grant Date[1]**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**(#)[3]**	**(#)[4]**	**($/Sh) [5]**	**($/Sh)**	**Awards[6]**
John R. Garbarino	2/20/08	66,250	265,000	596,250	3,000	63,788	16.81	16.81	201,608
Michael J. Fitzpatrick	2/20/08	23,630	94,520	212,670	1,000	21,263	16.81	16.81	67,203
Vito R. Nardelli	2/20/08	31,478	125,910	283,298	1,000	21,263	16.81	16.81	67,203
Joseph J. Lebel III	2/20/08	19,420	77,680	174,780	335	7,088	16.81	16.81	22,430
John K. Kelly	2/20/08	12,169	48,675	109,519	335	7,088	16.81	16.81	22,430

(1) February 20, 2008 is the grant date for non-equity compensation and the grant date for stock awards and options is as indicated.

(2) Amounts shown represent the range of potential payouts for fiscal 2008 under the 2008 Incentive Compensation Plan, set at January 1, 2008. As described in the section titled Cash Incentive Awards in the Compensation Discussion and Analysis, the level of actual target payouts for 2008 under the Incentive Compensation Plan, were $206,561, $77,554, $103,309, $54,176, and $33,947 respectively.

(3) Refers to awards of restricted shares of Company common stock under the 2006 Stock Incentive Plan. Awards vest over five years from date of grant.

(4) Refers to awards of stock options under the 2000 Stock Option Plan. Awards vest over five years from date of grant.

(5) In 2007, the Company adopted the practice of establishing the exercise price of options as the closing price of the underlying shares of Company common stock on the Nasdaq Global Select Market on the date of grant.

(6) Grant date fair value computed in accordance with FAS 123R.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth certain information regarding stock option and stock awards to the executive officers of the Company during the Company s Fiscal year ended December 31, 2008:

	Option Awards					Stock Awards			
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable[(1)]**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)[(2)]**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Others Rights That Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Others Rights That Have Not Vested (#)**
John R. Garbarino	120,000			17.88	2/20/12	2,794	46,380		
	90,000			23.44	5/30/13	3,127	51,908		
	90,000			22.525	5/28/14	3,000	49,800		
	3,430			23.07	1/19/15				
	3,806			20.795	4/20/15				
	25,200	37,800		23.475	2/15/16				
	12,150	48,600		22.17	2/21/17				
		63,788		16.81	2/20/18				
Michael J. Fitzpatrick	45,000			17.88	2/20/12	1,042	17,297		
	33,000			23.44	5/30/13	1,000	16,600		
	30,000			22.525	5/28/14				
	1,320			23.07	1/19/15				
	1,464			20.795	4/20/15				
	12,000	18,000		23.475	2/15/16				
	4,050	16,200		22.17	2/21/17				
		21,263		16.81	2/20/18				
Vito R. Nardelli	30,000	18,000		22.38	6/01/14	1,042	17,297		
	780	16,200		23.07	1/19/15	1,000	16,600		

	866	21,263	20.795	4/20/15		
	12,000		23.475	2/15/16		
	4,050		22.17	2/21/17		
			16.81	2/20/18		
Joseph J. Lebel III	4,000	6,000	22.74	4/28/16	335	5,561
	900	3,600	20.25	3/02/17		
		7,088	16.81	2/20/18		
John K. Kelly	15,000		17.88	2/20/12	347	5,760
	10,000		23.44	5/30/13	335	5,561
	10,000		22.525	5/28/14		
	676		23.07	1/19/15		
	751		20.795	4/20/15		
	4,000	6,000	23.475	2/15/16		
	1,350	5,400	22.17	2/21/17		
		7,088	16.81	2/20/18		

(1) Options vest as to 20% of the shares subject to the grant on each anniversary of the grant date, subject to the executive s continued service on the relevant vesting dates.

(2) Market Value computed as of close of business on December 31, 2008 of $16.60.

Option Exercises and Stock Vested

The following table sets forth certain information regarding exercises of options or vesting of restricted shares during the Company s fiscal year ended December 31, 2008.

	Option awards		Stock awards	
Name	**Number of shares acquired on exercise**	**Value realized on exercise (1)**	**Number of shares acquired on vesting**	**Value realized on vesting**
John R. Garbarino			1,714	$ 27,543
Michael J. Fitzpatrick			261	4,213
Vito R. Nardelli			261	4,213
Joseph J. Lebel III				
John K. Kelly			87	1,404

(1) Value is computed using the difference between the market price of the underlying security on date of exercise and the exercise price of the option.

Nonqualified Deferred Compensation

Supplemental Executive Retirement Plan

The Bank maintains a non-qualified Supplemental Executive Retirement Plan (SERP) to provide eligible executive officers with additional retirement benefits. The benefits provided under the SERP make up the difference between an amount up to 70% of final base compensation and the benefits provided from the Bank s 401(k) Retirement Plan plus the benefits which would have been provided from the Bank s Retirement Plan (Pension Plan) which was frozen in 1996 and terminated in 1998. In addition, the SERP provides a benefit equal to the benefits lost from the ESOP due to the application of limitations imposed by the Code, as amended, on compensation and maximum benefits under the ESOP. The Bank established an irrevocable trust in connection with the SERP. This trust is funded with contributions from the Bank for the purpose of providing the benefits promised under the terms of the SERP. The assets of the trust are beneficially owned by the SERP participants, who recognize income as contributions are made to the trust. Earnings on the trust s assets are taxable to the participants.

Nonqualified Deferred Compensation Plan for Executives

SEOs may participate in the Deferred Compensation Plan for Executives (Deferral Plan). This plan allows eligible officers selected by the Bank s Board to defer receipt of up to 100% of base salary and annual bonus pursuant to the terms of the plan. The participating executive s deferral is credited to a bookkeeping account and increased on the last day each month by interest earned at the rate equal to the Stable Fund Rate for the 401(k) Plan plus 250 basis points.

The following table sets forth certain information regarding nonqualified deferred compensation benefits to SEOs of the Company during the Company s fiscal year ended December 31, 2008:

Name	Plan	Executive contributions in last FY ($)(1)	Registrant contributions in last FY ($)(2)	Aggregate earnings in last FY ($)	Aggregate withdrawals/ distributions ($)	Aggregate balance at last FYE ($) (3)
John R. Garbarino	SERP		372,832			
	Deferral Plan					
Michael J. Fitzpatrick	SERP					
	Deferral Plan					