

FIRST OF LONG ISLAND CORP  
Form DEF 14A  
March 16, 2010

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

SCHEDULE 14A  
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by the Registrant   
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

The First of Long Island Corporation

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(Name of Registrant as Specified in Its Charter)

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(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on the table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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

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

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(1) Amount previously paid:

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

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(3) Filing Party:

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(4) Date Filed:

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THE FIRST OF LONG ISLAND CORPORATION  
10 GLEN HEAD ROAD  
GLEN HEAD, NEW YORK 11545

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD APRIL 20, 2010

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March 19, 2010

To the Stockholders of  
The First of Long Island Corporation:

Notice is hereby given that the Annual Meeting of Stockholders of THE FIRST OF LONG ISLAND CORPORATION will be held at THE CARLTUN, EISENHOWER PARK, EAST MEADOW, NEW YORK, on Tuesday, April 20, 2010, at 3:30 P.M. local time for the following purposes:

- (1) To elect Directors.
- (2) To ratify the reappointment of Crowe Horwath LLP as the Corporation's independent registered public accounting firm for 2010.
- (3) To transact any other business as may properly come before the meeting.

Only stockholders of record at the close of business on February 22, 2010 are entitled to notice of and to vote at such meeting or any adjournment thereof.

By Order of the Board of Directors

Sallyanne K. Ballweg  
Senior Vice President and Secretary

IMPORTANT -- PLEASE MAIL YOUR PROXY PROMPTLY.

IN ORDER THAT THERE MAY BE PROPER REPRESENTATION AT THE MEETING, YOU ARE URGED TO SIGN, DATE AND RETURN THE ENCLOSED PROXY IN THE ENVELOPE PROVIDED. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES.

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THE FIRST OF LONG ISLAND CORPORATION

10 Glen Head Road  
 Glen Head, New York 11545  
 (516) 671-4900

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

The accompanying proxy is being solicited by the Board of Directors (the "Board") of The First of Long Island Corporation (the "Corporation" or the "Company") for use at the Annual Meeting of Stockholders to be held at 3:30 P.M. local time at The Carlton, Eisenhower Park, East Meadow, New York on April 20, 2010. The approximate date on which proxy statements and forms of proxy are first being sent or given to stockholders is March 19, 2010.

Proxies in the accompanying form that are properly executed and duly returned to the Corporation will be voted at the meeting. Each proxy granted may be revoked at any time prior to its exercise either by written notice filed with the secretary of the meeting or by oral notice given during the meeting by the stockholder to the presiding officer of the meeting. The presence in person or by proxy of the holders of a majority of the shares entitled to vote at any annual meeting constitutes a quorum for the transaction of business. In the absence of a quorum, any meeting may be adjourned to a subsequent date, provided notice of such meeting is mailed to each stockholder entitled to vote at least five (5) days before the adjourned meeting.

VOTING SECURITIES AND PRINCIPAL STOCKHOLDERS

The only class of voting securities of the Corporation is its Common Stock, \$.10 par value ("Common Stock"), each share of which entitles the holder thereof to one vote except in the election of directors, where votes may be cumulated as described herein. Only stockholders of record at the close of business on February 22, 2010 are entitled to notice of and to vote at the meeting.

As of January 31, 2010, there were issued 7,220,296 shares of the Common Stock, all of which were outstanding and entitled to vote. To the best knowledge of the Corporation, the only persons owning beneficially more than five percent (5%) of the Common Stock of the Corporation as of January 31, 2010 are identified in the table below.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common Stock (\$ .10 par value)	Paul T. Canarick 27 Glen Street Glen Cove, N.Y. 11542	501,137 shares (1)	6.94%
Common Stock (\$ .10 par value)	Jean C. Canarick 27 Glen Street Glen Cove, N.Y. 11542	742,634 shares (1)	10.29%
Common Stock (\$ .10 par value)	Jack Canarick 27 Glen Street Glen Cove, N.Y. 11542	363,000 shares	5.03%



Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common Stock (\$ .10 par value)	BlackRock, Inc. 40 East 52nd Street New York, N.Y. 10022	398,598 shares (2)	5.52%
Common Stock (\$ .10 par value)	Zachary Levy 9 Maxine Avenue Plainview, N.Y. 11803	705,854 shares (3)	9.78%

(1) Pursuant to applicable rules, Paul T. Canarick and Jean C. Canarick are both deemed to be beneficial owners of 473,940 shares for which they act as co-trustees pursuant to a Trust Agreement dated May 27, 1992 and share voting and dispositive power. The shares shown for Mr. Paul T. Canarick include 4,463 shares which are not presently owned but deemed beneficially owned in accordance with Rule 13d-3(d)(1) under the Securities Exchange Act of 1934 because they could be acquired by the exercise of stock options.

(2) Per 12/31/09 Schedule 13G which indicates that BlackRock, Inc. has sole voting and dispositive power with respect to these shares.

(3) Sole voting and dispositive power with respect to 662,826 shares.

Furnished below is information with respect to the beneficial ownership of the Corporation's Common Stock as of January 31, 2010 by all directors and nominees, by the executive officers of the Corporation named in the "Summary Compensation Table", and by directors and executive officers of the Corporation as a group.

Title of Class	Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common Stock (\$ .10 par value)	Allen E. Busching	14,095 (1)	.19%
	Paul T. Canarick	501,137 (2)	6.94%
	Alexander L. Cover	5,741 (3)	.08%
	William H. J. Hoefling	10,177 (4)	.14%
	Howard Thomas Hogan Jr.	120,497 (5)	1.67%
	John T. Lane	2,131 (6)	.03%
	J. Douglas Maxwell Jr.	38,409 (7)	.53%
	Stephen V. Murphy	5,965 (8)	.08%
	Milbrey Rennie Taylor	5,341 (9)	.07%
	Walter C. Teagle III	58,786 (10)	.81%
	Michael N. Vittorio	42,980 (11)	.59%
	Sallyanne K. Ballweg	2,605 (12)	.04%
	Donald L. Manfredonia	79,798 (13)	1.10%
	Mark D. Curtis	29,090 (14)	.40%
	Richard Kick	44,713 (15)	.62%
	Directors and Executive Officers as a group	1,010,214 (16)	13.97%

- (1) Including 1,000 shares in the name of Claire C. Busching, Mr. Busching's wife, and 8,503 shares which are not presently owned but deemed beneficially owned in accordance with Rule 13d-3(d)(1) under the Securities Exchange Act of 1934 because they could be acquired by the exercise of stock options.
- (2) Including 473,940 shares in the names of Paul T. Canarick and Jean C. Canarick, Mr. Paul T. Canarick's mother, as co-trustees under a Trust Agreement dated May 27, 1992; and 4,463 shares which are not presently owned but deemed beneficially owned in accordance with Rule 13d-3(d)(1) under the Securities Exchange Act of 1934 because they could be acquired by the exercise of stock options.
- (3) Including 4,049 shares which are not presently owned but deemed beneficially owned in accordance with Rule 13d-3(d)(1) under the Securities Exchange Act of 1934 because they could be acquired by the exercise of stock options.
- (4) Including 1,000 shares in the name of Tricia Hoefling, Mr. Hoefling's daughter; 1,600 shares in the names of Timothy Billings and/or Tricia Hoefling, as trustees for Charles Hoefling Billings; and 1,725 shares which are not presently owned but deemed beneficially owned in accordance with Rule 13d-3(d)(1) under the Securities Exchange Act of 1934 because they could be acquired by the exercise of stock options.
- (5) Including 20,742 shares in the name of Mr. Hogan as Trustee for the benefit of his children, Howard, Kathryn, and Margaret Hogan; 1,388 shares in the name of Mr. Hogan as Trustee for the Hogan Family Trust; 11,678 shares, 10,176 shares, and 10,148 shares in the names of Mr. Hogan's children, Howard, Kathryn and Margaret, respectively; and 7,415 shares which are not presently owned but deemed beneficially owned in accordance with Rule 13d-3(d)(1) under the Securities Exchange Act of 1934 because they could be acquired by the exercise of stock options.
- (6) Including 1,131 shares which are not presently owned but deemed beneficially owned in accordance with Rule 13d-3(d)(1) under the Securities Exchange Act of 1934 because they could be acquired by the exercise of stock options.
- (7) Including 16,874 shares held in Mr. Maxwell's retirement account and 9,093 shares which are not presently owned but deemed beneficially owned in accordance with Rule 13d-3(d)(1) under the Securities Exchange Act of 1934 because they could be acquired by the exercise of stock options.
- (8) Including 3,000 shares held in Mr. Murphy's retirement account and 2,373 shares which are not presently owned but deemed beneficially owned in accordance with Rule 13d-3(d)(1) under the Securities Exchange Act of 1934 because they could be acquired by the exercise of stock options.
- (9) Includes 341 shares which are not presently owned but deemed beneficially owned in accordance with Rule 13d-3(d)(1) under the Securities Exchange Act of 1934 because they could be acquired by the exercise of stock options.
- (10) Including 674 shares in the name of Janet D. Teagle, Mr. Teagle's wife; 2,024 shares each (totaling 6,072 shares) held for the benefit of W. Clark Teagle IV, Clifton D. Teagle and Janet W. Teagle, Mr. Teagle's children; and 10,357 shares which are not presently owned but deemed beneficially owned in accordance with Rule 13d-3(d)(1) under the Securities Exchange Act of 1934 because they could be acquired by the exercise of stock options.
- (11) Including 28,961 shares which are not presently owned but deemed beneficially owned in accordance with Rule 13d-3(d)(1) under the Securities Exchange Act of 1934 because they could be acquired by the exercise of stock options.
- (12) Including 1,000 shares in Ms. Ballweg's individual retirement account and 1,405 shares which are not presently owned but deemed beneficially owned in accordance with Rule 13d-3(d)(1) under the Securities Exchange Act of 1934 because they could be acquired by the exercise of stock options.
- (13) Including 39,205 shares which are not presently owned but deemed beneficially owned in accordance with Rule 13d-3(d)(1) under the Securities Exchange Act of 1934 because they could be acquired by the exercise of stock options.
- (14) Including 1,598 shares held in Mr. Curtis' individual retirement account; 800 shares in the name of Mr. Curtis as custodian for the benefit of Heather M. Curtis, Mr. Curtis' daughter; 671 shares in the name of Mr. Curtis as custodian for the benefit of Eric A. Curtis, Mr. Curtis' son; and 18,415 shares which are not presently owned but deemed beneficially owned in accordance with Rule 13d-3(d)(1) under the Securities Exchange Act of 1934



because they could be acquired by the exercise of stock options.

(15) Including 18,696 shares which are not presently owned but deemed beneficially owned in accordance with Rule 13d-3(d)(1) under the Securities Exchange Act of 1934 because they could be acquired by the exercise of stock options.

(16) Including 187,945 shares which are not presently owned but deemed beneficially owned in accordance with Rule 13d-3(d)(1) under the Securities Exchange Act of 1934 because they could be acquired by the exercise of stock options.

## ELECTION OF DIRECTORS

The Board of Directors of the Corporation presently consists of a non-executive chairman and ten other members. Each member, with the exception of Michael N. Vittorio who also serves as President and Chief Executive Officer (“CEO”) of the Corporation and the Bank, is independent as independence for directors is defined in Nasdaq Rule 5605(a)(2).

The Board is divided into two classes, Class I with six members and Class II with five members. The table that follows sets forth the present composition of the Board.

Name	Class	Expiration of Term
Allen E. Busching	II	2010
Paul T. Canarick	II	2010
Alexander L. Cover	II	2010
William H. J. Hoefling	II	2010
Howard Thomas Hogan Jr.	I	2011
John T. Lane	I	2011
J. Douglas Maxwell Jr.	I	2011
Stephen V. Murphy	II	2010
Milbrey Rennie Taylor	I	2011
Walter C. Teagle III	I	2011
Michael N. Vittorio	I	2011

For the election of directors, each share is entitled to as many votes as there are directors to be elected, and such votes may be cumulated and voted for one nominee or divided equally among as many different nominees as is desired. If authority to vote for any nominee or nominees is withheld on any proxy, the votes will then be spread equally among the remaining nominees. If there is no designation on any proxy as to how the shares represented should be voted, the proxy will be voted for the election of all nominated directors.

The nominees for election at this meeting will be the Class II directors, except for Mr. Hoefling who will retire effective April 20, 2010, and Mr. Maxwell. On the date of the meeting, Mr. Maxwell will resign as a Class I director and be simultaneously nominated by the Board of Directors as a Class II director. This will, as required by New York State law and the Corporation’s Certificate of Incorporation and Bylaws, make the two classes of directors as nearly equal in number as possible after the retirement of Mr. Hoefling. It is intended that shares represented by properly executed proxies will be voted at the meeting in accordance with the marking indicated thereon and, in the absence of contrary indication, for the re-election of Messrs. Busching, Canarick, Cover, Murphy and Maxwell. Each of the Class II directors will hold office until the 2012 Annual Meeting of Stockholders, or until his successor is elected and qualified. If at the time of the 2010 Annual Meeting any of the nominees named above is unavailable or chooses not to serve as a director (an event which management does not now anticipate), the proxies will be voted for the election as director of such other person or persons as the Board of Directors may designate.

The Board of Directors recommends a vote FOR all named nominees.

The following table sets forth a brief description of the business experience of each of the Company's directors during the past five years. It also indicates any other directorships held during the past five years in any company with a class of securities registered pursuant to section 12 of the Exchange Act or subject to the requirements of section 15(d) of the Act or any other company registered as an investment company under the Investment Company Act of 1940. The year set forth for each director is the year in which the person named became a director of the Corporation and The First National Bank of Long Island, a wholly-owned subsidiary of the Corporation, with the exception of Mr. Hogan who became a director of the Corporation upon its formation in 1984.

#### BUSINESS EXPERIENCE OF DIRECTORS AND OTHER DIRECTORSHIPS

Name	Principal Occupations and Other Directorships for Last 5 Years	Director Since
Allen E. Busching (Age 78)	Principal, B&B Capital (Consulting and Private Investment)	1999
Paul T. Canarick (Age 53)	President and Principal, Paul Todd, Inc. (Construction Company)	1992
Alexander L. Cover (Age 66)	Management Consultant, Private Practice	2003
William H. J. Hoefling (Age 59)	Managing Partner, Crystal Pond Capital Partners, LLC (Private Equity Group); (formerly, Executive Vice President, JPMorgan Chase; Chairman, Brown & Co, discount brokerage firm)	2006
Howard Thomas Hogan Jr., Esq. (Age 65)	Hogan & Hogan (Attorney, Private Practice)	1978
John T. Lane (Age 67)	Private Investor and Consultant; (formerly: Managing Director, JPMorgan & Co.; Chairman, J.P. Morgan Florida; Director, J.P. Morgan California, Morgan Shareholder Services, and Morgan Futures)	2007
J. Douglas Maxwell Jr. (Age 68)	Chief Financial Officer NIRx Medical Technologies LLC (Medical Technology)	1987
Stephen V. Murphy (Age 64)	President, S.V. Murphy & Co., Inc. (Investment Banking) Director, Bowne & Co., Inc., Excelsior Venture Partners III, LLC, Excelsior Directional Hedge Fund of Funds, Inc., and Columbia Management Multi-Strategy Hedge Fund of Funds, Inc.	2005

Name	Principal Occupations and Other Directorships for Last 5 Years	Director Since
Milbrey Rennie Taylor (Age 63)	Media Consultant; (formerly: Executive Producer, CBS News)	2008
Walter C. Teagle III (Age 60)	Non-executive Chairman of the Board, The First of Long Island Corporation and The First National Bank of Long Island; President, Teagle Management, Inc. (Private Investment Firm); (formerly Managing Director, Groton Partners LLC; Officer and Managing Director, Groton Asset Management LLC)	1996
Michael N. Vittorio (Age 57)	President and Chief Executive Officer, The First of Long Island Corporation and The First National Bank of Long Island	2003

### QUALIFICATIONS OF DIRECTORS

**General Qualifications.** The Governance and Nominating Committee believes that certain minimum general qualifications must be met by a Committee-recommended nominee for a position on the Board of Directors. Specifically, the nominee should understand that the principal duty of a director is to represent the stockholders of the Corporation. The nominee should also possess the highest level of professional and personal ethics and values, be free of any conflict of interest with respect to board service, have experience at the policy-making level, have the ability to provide insight and practical wisdom based on experience and expertise, be able to understand and relate to the culture of the Corporation, have sufficient time to properly discharge the duties associated with serving as a director and, for non-employee directors, be independent as defined in Nasdaq Rule 5605(a)(2). It is also deemed desirable for directors to live or work in a geographic area where the Corporation's bank subsidiary has branches or is expected to have branches.

**Diversity.** The Governance and Nominating Committee believes that the Board as a whole should adequately reflect the diversity of the Company's constituencies and the communities in which the Company conducts business. Although the Committee considers diversity in identifying nominees for director, it does not have a formal policy in this regard. The Committee has a broad view of diversity, and conceptualizes it to include differences of viewpoint, professional experience, education, skill and other individual qualities and attributes that contribute to board heterogeneity, as well as race, gender and national origin.

**Specific Core Competencies.** In addition to general qualifications and the consideration of diversity, the Governance & Nominating Committee has developed a Skill Sets Matrix that sets forth the specific core competencies it believes one or more Board members should possess. The matrix is used to evaluate the collective skills of the existing board and identify the skills that the Committee should seek when filling a Board vacancy or increasing the size of the Board. The Governance & Nominating Committee recognizes that some Board members may possess many of the core competencies, while others will possess only a few, but that each Board member should have particular strength with respect to at least one. The identified core competencies, which are subject to change from time to time, include, but are not limited to, experience as a director, experience with publicly held companies, background and experience necessary to qualify as an "audit committee financial expert" as defined in Regulation S-K of the Securities and Exchange Commission, experience in banking, strategic planning, accounting and reporting, finance, mergers and acquisitions, investments, real estate, marketing, operations, information technology and legal matters.



With respect to each of the Company's directors, the narrative that follows sets forth the specific experience, qualifications, attributes and skills that led to the conclusion that the person should serve as a director in light of the Company's business and structure and the general qualifications and core competencies identified and deemed desirable by the Governance and Nominating Committee.

Allen E. Busching - Mr. Busching joined the Board in 1999 and is Chairman of the Compensation Committee and a member of the Audit and Strategic Planning Committees. He is Principal of B&B Capital, a consulting and private investment firm. He serves as Trustee of North Shore-Long Island Jewish Health Systems, Inc. and is a member of its Finance Committee. Mr. Busching previously served as President & Chief Executive Officer of Veeco Instruments, a New York Stock Exchange Company, and has been a director of both banking and non-banking companies. Mr. Busching's experience has provided him with a number of the core competencies identified by the Governance & Nominating Committee, with particular strength in corporate governance, publicly held companies, strategic planning, operations and mergers and acquisitions.

Paul T. Canarick - Mr. Canarick joined the Board in 1992, is a member of the Governance & Nominating, Loan, Asset/Liability and Strategic Planning Committees. Mr. Canarick is President and Principal of Paul Todd, Inc., a privately-held construction company. Mr. Canarick's experience has provided him with a number of the core competencies identified by the Governance & Nominating Committee, with particular strength in real estate.

Alexander L. Cover - Mr. Cover joined the Board in 2003 and is Chairman of the Audit Committee and a member of the Governance & Nominating, Asset/Liability and Strategic Planning Committees. He is currently a management consultant in private practice and, among other things, assists privately-held companies with developing business plans. Previously he was Partner In Charge of the financial institutions practice of the Long Island office of Ernst & Young, LLP. At Ernst & Young, Mr. Cover's experience also included, among other things, serving as review partner on both SEC and non-SEC engagements. Mr. Cover has also been a director of a number of not-for-profit entities. Mr. Cover's experience has provided him with a number of the core competencies identified by the Governance & Nominating Committee, with particular strength in publicly held companies, banking, strategic planning, accounting, reporting and finance.

Howard Thomas Hogan Jr., Esq. - Mr. Hogan joined the Board in 1978 and is a member of the Compensation and Loan Committees. Mr. Hogan is currently an attorney in private practice, with an emphasis on real estate. He currently serves and has served as a director of numerous not-for-profit and community organizations. His experience has provided him with a number of the core competencies identified by the Governance & Nominating Committee, with particular strength in legal matters, real estate and corporate governance.

John T. Lane - Mr. Lane joined the Board in 2007 and is a member of the Audit, Governance & Nominating, Loan and Asset/Liability Committees. He is currently a private investor and consultant and director of Winthrop University Hospital and Health Care Trustees of New York State. Mr. Lane's previous experience includes Managing Director of J.P. Morgan. During his twenty-six year career with J.P. Morgan, Mr. Lane served in leadership positions in Corporate Finance, Private Clients, Credit and Investor Services. Mr. Lane also served as a member of J.P. Morgan's Credit Policy Committee, Chairman of J.P. Morgan Florida, and Director of J.P. Morgan California, Morgan Shareholder Services and Morgan Futures. Aside from J.P. Morgan, Mr. Lane has served as a director of a number of publicly and privately-held companies and not-for-profit entities. Mr. Lane's experience has provided him with a number of the core competencies identified by the Governance & Nominating Committee, with particular strength in banking, publicly held companies, corporate governance, finance and mergers and acquisitions

J. Douglas Maxwell Jr. - Mr. Maxwell joined the Board in 1987 and is Chairman of the Governance & Nominating Committee and a member of the Audit and Loan Committees. Currently, Mr. Maxwell is Chief Financial Officer of NIRX Medical Technologies LLC. Mr. Maxwell's past experience includes a variety of executive positions including Chairman of the Board and Chief Executive Officer, Swissray Empower, Inc. and President, Chemco Technologies, Inc. Mr. Maxwell has served as a director of a number of publicly and privately-held companies and not-for-profit entities. Mr. Maxwell's experience has provided him with a number of the core competencies identified by the Governance & Nominating Committee, with particular strength in publicly held companies, corporate governance, accounting and reporting, and operations.

Stephen V. Murphy - Mr. Murphy joined the Board in 2005 and is Chairman of the Loan Committee and a member of the Compensation, Asset/Liability and Strategic Planning Committees. He is currently President of S.V. Murphy & Co., Inc., an investment banking firm. He also serves as a director of Bowne & Co., Inc., a publicly-held company, and as a director of several registered investment companies. Mr. Murphy's past experience includes Merrill Lynch Capital Markets, where he was Managing Director in the Investment Banking Department in charge of the Financial Institutions Mergers and Acquisitions Group. Prior to that, Mr. Murphy was with The First Boston Corporation as Managing Director in the Corporate Finance Department in charge of the Commercial Banking Group for Financing and Strategic Services. Mr. Murphy also serves and has served as a director for various not-for-profit entities. Mr. Murphy's experience has provided him with a number of the core competencies identified by the Governance & Nominating Committee, with particular strength in publicly held companies, corporate governance, banking, strategic planning, finance, mergers and acquisitions, and investments.

Milbrey Rennie Taylor - Ms. Taylor joined the Board in 2008 and is a member of the Governance & Nominating Committee. She is currently a media consultant. Ms. Taylor's past experience includes over thirty years in the television news business. She served as Executive Producer of CBS News Sunday Morning and CBS Weekend News. Ms. Taylor also served as Vice President of ThirdAge Media, an internet company partly owned by CBS, Inc. Ms. Taylor serves and has served as a director for a number of not-for-profit entities. Ms. Taylor's experience has provided her with a number of the core competencies identified by the Governance & Nominating Committee, with particular strength in corporate governance, communications and public relations.

Walter C. Teagle III - Mr. Teagle joined the Board in 1996, became Non-executive Chairman of the Board in 2005 and is a member of all Committees of the Corporation and the Bank. Mr. Teagle is currently President and director of Teagle Management, Inc., a private investment firm, and Chairman and director of Teagle Foundation, Inc. Mr. Teagle's past experience includes a variety of executive and board positions including Managing Director, Groton Partners LLC, a merchant banking firm; Officer and Managing Director, Groton Asset Management LLC, an investment management company; Executive Vice President and Director, Lexent, Inc., a publicly-held infrastructure service provider; and President, Chief Executive Officer, and Director, Metro Design Systems, Inc., an engineering design services firm. Mr. Teagle has also been a director of not-for-profit entities. Mr. Teagle's experience has provided him with a number of the core competencies identified by the Governance & Nominating Committee, with particular strength in corporate governance, operations, strategic planning and investments.

Michael N. Vittorio - Mr. Vittorio joined the Corporation and the Bank on July 15, 2002 as Executive Vice President. On February 18, 2003, he was elected to the Board of Directors of both entities and, effective March 1, 2003, became President of both. He was appointed Chief Executive Officer of both entities effective September 1, 2003. Mr. Vittorio is chairman of the Bank's Strategic Planning Committee. Mr. Vittorio was employed at J.P. Morgan Chase, most recently as Senior Vice President responsible for managing Chase Insurance Agency's Insurance Brokerage and Advisory Service Business. Previously he served in various capacities at J.P. Morgan Chase including Senior Lending Officer for Small Business Financial Services, Middle Market Regional Manager, and Division Executive in the Small Business/Commercial Division. Mr. Vittorio has been a director of a variety of not-for-profit entities. Mr. Vittorio's experience has provided him with strength in many of the core competencies identified by the Governance & Nominating Committee.

### BOARD LEADERSHIP STRUCTURE

The Board of Directors has determined that the Chairman of the Board will be an independent director. This decision was made based on the belief that shareholder interests are best served by having a Chairman of the Board who is independent of management and whose exclusive responsibility is the long-term best interest of the Corporation's shareholders.

Walter C. Teagle III has served as Non-executive Chairman of the Board of Directors since May 2005. As Non-executive Chairman, Mr. Teagle organizes the work of the Board and ensures that the Board has access to sufficient information to enable it to carry out its functions, including monitoring the Corporation's performance and the performance of management. The role of the Non-executive Chairman includes: (1) presiding over all meetings of the Board of Directors and shareholders, including regular executive sessions of the Board in which the CEO, a management director, and other members of management do not participate; (2) establishing the annual agenda of the Board and agendas of each meeting in consultation with the CEO; (3) advising with respect to the work of each Committee and reviewing (with the Governance and Nominating Committee) changes in Board membership and the membership and chair of each Committee; (4) coordinating periodic reviews of management's strategic plan for the Corporation; (5) leading the Board's review of the succession plan for the CEO; and (6) coordinating with the Compensation Committee of the Board of Directors (the "Compensation Committee") the annual performance review of the CEO.

### MEETINGS OF THE BOARD OF DIRECTORS

All of the members of the Board of Directors of the Corporation also serve on the Board of Directors of the Bank. The Board of Directors of the Corporation held ten regular meetings and one special meeting during 2009. Each director attended at least 75% of the aggregate number of Board meetings and meetings of the committees on which such director served. The Board of Directors of the Bank currently holds 10 regular meetings a year and such special meetings as deemed advisable to review significant matters.



### BOARD'S ROLE IN RISK OVERSIGHT

Risk is an integral part of Board and committee discussions throughout the year. The significant risks facing the Corporation are set forth in an Enterprise Risk Management document prepared by management and reviewed by the full board of directors. While management is responsible for identifying, assessing and managing risk, the Board is responsible for risk oversight and fulfills this responsibility primarily through its committees. In granting authority to management, approving policies and strategies and receiving management reports, the Board and its committees consider, among other things, the risks that the Corporation faces. For each critical risk, such as credit risk, interest rate risk and liquidity risk, the Corporation has a formal written policy that is approved by an appropriate board committee and/or the full board of directors.

The following table sets forth each Board committee and identifies its risk oversight responsibilities.

Board Committee	Risk Oversight Responsibilities
Loan Committee	1) Credit Risk
Asset/Liability Committee	1) Interest Rate Risk 2) Liquidity Risk 3) Credit Risk 4) Earnings Risk 5) Market Risk
Audit Committee	1) Financial Reporting Risk 2) Internal Control Risk 3) Regulatory Compliance Risk 4) Operational Risk 5) Technology Risk 6) Business Continuity/Disaster Recovery Risk 7) Fiduciary Risk
Governance & Nominating Committee	1) Succession Planning Risk 2) Reputational Risk 3) Legal Risk
Compensation Committee	1) Compensation Policy & Practice Risk
Strategic Planning Committee	1) Strategic Risk

### BOARD COMMITTEES AND MEETINGS

The Board of Directors of the Corporation has three standing committees: the Governance and Nominating Committee, the Audit Committee, and the Compensation Committee. The Board of Directors of the Bank also has three standing committees: the Loan Committee, the Asset/Liability Committee and the Strategic Planning Committee.

Governance and Nominating Committee

The Corporation has a separately-designated standing governance and nominating committee. All the members of the Corporation's Governance and Nominating Committee are independent as independence for directors is defined in Nasdaq Rule 5605(a)(2). The members of the Governance and Nominating Committee are Paul T. Canarick, Alexander L. Cover, John T. Lane, J. Douglas Maxwell Jr., Milbrey Rennie Taylor and Walter C. Teagle III. The Committee met four times during 2009.

The Corporation's Board of Directors has adopted a formal written charter for the Governance and Nominating Committee. A current copy of the charter and the Corporation's Corporate Governance Guidelines are available to security holders on the Corporation's website by going to [www.FNBLLI.com](http://www.FNBLLI.com) and clicking on "Investor Relations", then clicking on "Committee Charters", and then clicking on "Governance and Nominating Committee Charter" and "Corporate Governance Guidelines."

The Governance and Nominating Committee is currently responsible for: (1) identifying individuals qualified to become Board members and recommending to the Board the director nominees for the next annual meeting of stockholders; (2) recommending to the Board written corporate governance guidelines and monitoring compliance with said guidelines; (3) leading the Board in an annual Board self assessment and reporting to the Board on its own self assessment and the self assessments performed by the other Board committees; and (4) recommending to the Board director candidates for each committee.

Although the Corporation has a long history of being able to attract and maintain a cohesive Board with the variety of skills necessary to properly oversee the affairs of the Corporation, the Governance and Nominating Committee will consider director candidates recommended by shareholders. Submission of candidates may be made in writing at any time. However, to be considered by the Governance and Nominating Committee for nomination at the 2011 annual meeting, such submissions should be made no later than November 17, 2010 to the Chairman of the Governance and Nominating Committee at the Corporation's address set forth in this proxy statement. In addition, nominations for the election of directors may be made by any shareholder entitled to vote for the election of directors provided that such nominations are made in accordance with the provisions of the Corporation's bylaws establishing the information and notice requirements for such nominations.

In addition to interviews, the Governance and Nominating Committee evaluates potential nominees by reviewing resumes, checking business and/or personal references, and performing background checks as deemed appropriate. The Corporation has not paid a fee to any third party or parties to identify or evaluate or assist in identifying or evaluating potential nominees.

All of the Class II nominees approved by the Governance and Nominating Committee for inclusion on the Corporation's proxy card for the annual meeting of stockholders to be held April 20, 2010 are directors standing for reelection.

#### Audit Committee

The Corporation has a separately-designated standing audit committee established in accordance with section 3(a)(58)(A) of the Securities Exchange Act of 1934. The members of the Audit Committee are Allen E. Busching, Alexander L. Cover, John T. Lane, J. Douglas Maxwell Jr. and Walter C. Teagle III. The Committee met ten times during 2009.

The Corporation's Board of Directors has adopted a formal written charter for the Audit Committee. A current copy of the charter is available to security holders on the Corporation's website by going to [www.FNBLLI.com](http://www.FNBLLI.com) and clicking on "Investor Relations", then clicking on "Committee Charters", and then clicking on "Audit Committee Charter."

The Board has determined that all members of the Audit Committee are independent as independence for audit committee members is defined in Nasdaq Rules 5605(a)(2) and 5605(c)(2)(A). The Board of Directors has also determined that Alexander L. Cover is an audit committee financial expert as that term is defined in paragraph (d)(5)(ii) of Item 407 of Regulation S-K of the Securities and Exchange Commission.



The Audit Committee is responsible for: (1) selecting, retaining and dismissing, if necessary, the independent auditors and approving audit fees and engagement terms and all non-audit services provided by the independent auditors; (2) reviewing and discussing with management and the independent auditors the Corporation's audited consolidated financial statements and internal control over financial reporting; (3) meeting with the Corporation's independent auditors and reviewing with them the results of their annual audit of the Corporation's consolidated financial statements, including any recommendations the auditors may have with respect to internal controls or other business matters; (4) reviewing the plan, scope and results of internal audits performed by both the Bank's in-house audit staff and external firms; (5) reviewing the results of examinations performed by regulatory authorities; (6) insuring that the Corporation fulfills the annual internal control reporting requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and that the Bank fulfills the annual audit and management reporting requirements of Section 112 of the Federal Deposit Insurance Corporation Improvement Act of 1991; and (7) reviewing the Bank's performance of its obligations under the various laws and regulations affecting consumers, including the Federal Community Reinvestment Act. The Audit Committee Report is included in a separate section of this proxy statement.

#### Compensation Committee

The Corporation has a separately-designated standing compensation committee. All the members of the Corporation's Compensation Committee are independent as independence for directors is defined in Nasdaq Rule 5605(a)(2). The members of the Compensation Committee are Allen E. Busching, William H. J. Hoefling, Howard Thomas Hogan Jr., Stephen V. Murphy and Walter C. Teagle III. The Committee met six times during 2009.

The Corporation's Board of Directors has adopted a formal written charter for the Compensation Committee. A current copy of the charter is available to security holders on the Corporation's website by going to [www.FNBLLI.com](http://www.FNBLLI.com) and clicking on "Investor Relations", then clicking on "Committee Charters", and then clicking on "Compensation Committee Charter."

The Compensation Committee is responsible for: (1) conducting a periodic review of the Corporation's compensation policies, strategies and plans for the CEO, other executive officers and non-employee directors and reporting and making recommendations to the Board with respect thereto; (2) recommending to the Board for approval employment contracts for the CEO and other executive officers; (3) evaluating the performance of the CEO and, subject to any existing employment contract and consistent with market practice, determining and recommending to the Board the base compensation level for the CEO; (4) reviewing, at its discretion, the CEO's performance evaluation of the other executive officers of the Corporation and recommending, subject to any existing employment contracts and consistent with market practice, the base compensation level of each such officer; (5) recommending to the Board for approval cash compensation for non-employee directors; (6) setting corporate goals used to determine cash bonuses paid to the CEO and other executive officers and stock-based compensation awarded to the CEO, other executive officers and non-employee directors; (7) recommending to the Board for approval cash bonuses to the Corporation's CEO and other executive officers pursuant to the Corporation's Incentive Compensation Plan or otherwise; (8) administering the Corporation's stock compensation plans, including recommending to the Board for approval awards of stock-based compensation to the CEO, other executive officers and non-employee directors under such plans and pursuant to the Corporation's Incentive Compensation Plan or otherwise; (9) reviewing the overall annual salary budget for the Bank's entire employee population; (10) conducting, or causing to be conducted, at its discretion, a periodic review of the Corporation's pension, 401(k), supplemental executive retirement and health and welfare plans; and (11) reviewing the compensation disclosures included in the Corporation's annual proxy statement and preparing or causing to be prepared an annual report of the Committee on executive compensation to be included therein.

Administration of the Corporation's stock compensation plans includes selecting directors and officers to whom awards are to be made and determining the timing, duration, amount and type of each award. Members of the Compensation Committee as well as all other non-employee directors of the Corporation have been eligible for awards of stock-based compensation in the past and it is currently anticipated that they will be eligible for future awards.

In determining an appropriate level of compensation for executive officers and non-employee directors, the Compensation Committee periodically engages a compensation consulting firm to gather and help analyze the information necessary to make such determinations. In 2009, the Compensation Committee engaged Pearl Meyer & Partners ("PM&P"), an independent national compensation consulting firm with over 100 bank clients, to conduct a review of compensation for the Company's executive officers and directors. With respect to executive officers, the objective of the review was to provide an assessment of the competitiveness and effectiveness of total compensation. In determining competitiveness of executive compensation, PM&P worked with the Compensation Committee to develop a custom peer group of publicly held banks similar in size and scope to the Bank located in the Bank's general geographic area. They also gathered cash compensation and benefits program data from published industry surveys, including their own survey and surveys performed by Mercer and Towers Watson, both nationally recognized compensation consulting firms. In performing their compensation review, PM&P assessed the elements of executive compensation both individually and in the aggregate, including base salary, annual cash incentives and annual equity awards. Based on their review, PM&P provided the Compensation Committee with market competitive total compensation guidelines as well as commented on emerging trends in executive compensation related to recent and developing regulatory changes as well as governance best practices. PM&P has never been engaged to provide any additional services to the Company.

With respect to director compensation, PM&P reviewed the Company's board compensation compared to general market trends and provided comments on the competitiveness and appropriateness of the program. The intent of this review was a high level comment letter that compared the Company's practices to banks of similar size in the northeast region. The review provided commentary on the general elements of board compensation including retainers, per meeting fees and equity awards.

From time to time, certain executive officers have served as a resource to the Compensation Committee in gathering the information necessary to make compensation determinations. However, such executive officers do not have a significant policy making role with respect to determining the amount or form of executive or director compensation.

#### Loan Committee of the Bank

The Bank has a separately-designated standing loan committee. With the exception of Mr. Vittorio, all the members of the Bank's Loan Committee are independent as independence for directors is defined in Nasdaq Rule 5605(a)(2). The members of the Loan Committee are Paul T. Canarick, William H. J. Hoefling, Howard Thomas Hogan Jr., John T. Lane, J. Douglas Maxwell Jr., Stephen V. Murphy, Walter C. Teagle III and Michael N. Vittorio. The Committee held four meetings in 2009.

Generally, loans in excess of \$400,000 up to and including \$5,000,000 require the approval of the Management Loan Committee. Loans in excess of \$5,000,000 up to and including \$8,500,000 also require the approval of two non-management members of the Board Loan Committee. Loans in excess of \$8,500,000 require the recommendation of the Management Loan Committee and the approval of a majority of the Board of Directors. The entire Loan Committee meets on a quarterly basis to review the overall portfolio.

#### Asset/Liability Committee of the Bank

The Bank has a separately-designated standing Asset/Liability Committee. With the exception of Mr. Vittorio, all the members of the Bank's Asset/Liability Committee are independent as independence for directors is defined in Nasdaq Rule 5605(a)(2). The members of the Asset/Liability Committee are Paul T. Canarick, Alexander L. Cover, William H. J. Hoefling, John T. Lane, Stephen V. Murphy, Walter C. Teagle III and Michael N. Vittorio. The Committee held three meetings in 2009.

The Asset/Liability Committee is responsible for: (1) providing oversight with respect to the Bank's achievement of its overall objective of maximizing return while minimizing risk regarding assets, liabilities, equity and off-balance sheet activities; (2) overseeing investment risk and approving the investment policy limits and operating guidelines set forth in the Bank's Investment Policy; (3) overseeing interest rate risk and approving the risk limits and operating guidelines set forth in the Bank's Interest Rate Risk Policy; and (4) overseeing liquidity risk and approving the risk limits and operating guidelines set forth in the Bank's Liquidity Policy and Liquidity Contingency Plan.

#### Strategic Planning Committee of the Bank

The Bank has a separately-designated standing Strategic Planning Committee. With the exception of Mr. Vittorio, all the members of the Bank's Strategic Planning Committee are independent as independence for directors is defined in Nasdaq Rule 5605(a)(2). The members of the Strategic Planning Committee are Allen E. Busching, Paul T. Canarick, Alexander L. Cover, William H. J. Hoefling, Stephen V. Murphy, Walter C. Teagle III and Michael N. Vittorio. The Committee held four meetings in 2009.

The Strategic Planning Committee is responsible for providing oversight with respect to the preparation and revision of the Corporation's five year strategic plan, and monitoring the Corporation's ongoing performance with respect to the plan. The full Board reviews the Corporation's strategic plan on an annual basis.

### COMPENSATION OF DIRECTORS

#### Cash Compensation

The non-executive Chairman of the Board of Directors of the Corporation and the Bank received a quarterly retainer of \$20,000 in 2009 for service on both boards. The quarterly retainer has been increased to \$21,250 effective January 1, 2010. The Chairman does not receive per meeting fees or committee retainers. Other non-employee directors are paid a quarterly retainer of \$3,500 for service on the Corporation's board and \$1,200 for each regularly scheduled meeting of the Bank's board, provided they attend at least eight of the ten meetings. If a director attends fewer than eight meetings, the director is paid \$1,200 for each meeting attended. In addition, directors of the Corporation and the Bank are generally paid \$1,200 for each special Board meeting and \$500 for each telephone Board meeting. In addition to cash compensation, the non-executive Chairman of the Board as well as other non-employee directors receive stock-based compensation as described hereinafter.





The Chairman of the Corporation's Governance and Nominating Committee received an annual retainer of \$4,000, and other committee members received annual retainers of \$2,000 in 2009. The Chairman of the Corporation's Audit Committee received an annual retainer of \$10,000, and other committee members received annual retainers of \$4,000. The Chairman of the Corporation's Compensation Committee received an annual retainer of \$4,000, and other committee members received annual retainers of \$2,000. The annual retainers for the Chair and members of each of the Corporation's committees were increased by \$1,000 effective January 1, 2010.

The Chairman of the Bank's Loan Committee received an annual retainer of \$4,000, and other committee members received annual retainers of \$2,000 in 2009. In addition, the Chairman and all other members of the Bank's Loan Committee receive \$500 per meeting with the Management Loan Committee. The Chairman of the Bank's Asset/Liability Committee received an annual retainer of \$4,000, and other committee members received annual retainers of \$2,000 in 2009. With the exception of Mr. Vittorio, each member of the Strategic Planning Committee receives \$500 per meeting. The annual retainers for the Chair and members of each of the Bank's committees were increased by \$1,000 effective January 1, 2010. Mr. Vittorio does not receive director fees or committee fees from the Corporation or the Bank.

#### Stock-based Compensation

The Corporation's 2006 Stock Compensation Plan allows for the granting of equity awards to non-employee directors of the Corporation. The equity components of director compensation are nonqualified stock options ("NQSOs") and restricted stock units ("RSUs"). In January 2009, based on the Corporation's 2008 financial performance, the non-executive Chairman was granted 3,418 NQSOs with a grant date fair value of \$26,626 and a target number of RSUs with a grant date fair value of \$23,098. Each other nonemployee director received a grant of 1,709 NQSOs with a grant date fair value of \$13,313 and a target number of RSUs with a grant date fair value of \$11,539. In January 2010, based on the Corporation's 2009 financial performance, the non-executive Chairman was granted 2,617 NQSOs with a grant date fair value of \$23,893 and a target number of RSUs with a grant date fair value of \$19,809. Each other nonemployee director received a grant of 1,309 NQSOs with a grant date fair value of \$11,951 and a target number of RSUs with a grant date fair value of \$9,893. Grant date fair value is as defined in Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Topic 718. The number of NQSOs and RSUs granted to the Chairman and each nonemployee director is in accordance with the methodology recommended by the Compensation Committee and adopted by the Board of Directors on January 22, 2008.

The NQSOs granted to directors in 2009 and 2010 have exercise prices of \$22.42 and \$25.07, respectively, which was the fair market value of one share of the Corporation's stock on the dates of grant. Twenty percent (20%) of the NQSOs granted in 2009 and 2010 become exercisable on each of the first five anniversaries of the date of grant, except for the immediate vesting of all outstanding NQSOs which occurs upon retirement, death or total and permanent disability. The RSUs granted in 2009 and 2010 may be convertible into shares of common stock after three years except for the ability to immediately convert all outstanding RSUs upon retirement, death or total and permanent disability. The ability to convert RSUs into shares of common stock after three years and the related conversion ratio will be determined in the same manner as for executive officers described in the "Compensation Discussion and Analysis" appearing elsewhere in this proxy statement.

The following table sets forth information concerning the compensation of directors for 2009. The values shown in the “Grant Date Fair Value of Stock Awards” and “Grant Date Fair Value of Option Awards” columns of the table (columns (c) and (d)) represent the aggregate grant date fair values computed in accordance with FASB ASC Topic 718.

**DIRECTOR COMPENSATION**  
**YEAR ENDED DECEMBER 31, 2009**

Name (a)	Fees Earned or Paid in Cash (\$) (b)	Grant Date Fair Value Of Stock Awards (\$) (c)	Grant Date Fair Value Of Option Awards (\$) (d)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) (e)	Total Compensation (\$) (f)	Option Awards Outstanding at Fiscal Year End (#) (g)	Stock Awards Outstanding at Fiscal Year End (#) (h)
Allen E. Busching	\$37,700	\$11,539	\$13,313	\$584	\$63,136	11,893	1,229
Paul T. Canarick	\$35,700	\$11,539	\$13,313	\$831	\$61,383	7,853	1,229
Alexander L. Cover	\$43,700	\$11,539	\$13,313		\$68,552	7,439	1,229
William H. J. Hoefling	\$37,200	\$11,539	\$13,313		\$62,052	4,679	1,229
Howard Thomas Hogan Jr., Esq.	\$33,200	\$11,539	\$13,313	\$2,635	\$60,687	10,805	1,229
John T. Lane	\$39,700	\$11,539	\$13,313		\$64,552	3,687	1,229
J. Douglas Maxwell Jr	\$42,200	\$11,539	\$13,313	\$3,228	\$70,280	12,483	1,229
Stephen V. Murphy	\$37,200	\$11,539	\$13,313		\$62,052	5,763	1,229
Milbrey Rennie Taylor	\$30,700	\$11,539	\$13,313		\$55,552	1,709	569
Walter C. Teagle III	\$80,000	\$23,098	\$26,626	\$836	\$130,560	17,134	2,458

- (1) For the assumptions made in determining the grant date fair value of stock and option awards see Note J "Stock-Based Compensation" to the Corporation's 2009 Consolidated Financial Statements.
- (2) The change in pension value represents interest on the benefit frozen as of December 31, 2000 (for additional details see "Retirement Plan For Directors" appearing elsewhere in this proxy statement).
- (3) Represents the number of shares of common stock into which the stock awards in the form of RSUs can be converted if certain performance targets are met in 2010 and 2011. The threshold number of shares is 1,229 for the Non-executive Chairman and 615 for each nonemployee director other than Ms. Taylor. For Ms. Taylor, the threshold number of shares is 285. For details on target and threshold levels of performance and their impact on the conversion of RSUs see "Compensation Discussion and Analysis" appearing elsewhere in this proxy statement.

The two tables that follow set forth information regarding the grant of plan based awards during 2009 and in January 2010 to nonemployee directors. The awards were granted by the Board on January 20, 2009 and January 19, 2010 based on recommendations by the Compensation Committee. The awards included RSUs which are reflected in columns (c) and (d) and NQSOs which are reflected in column (e). With respect to RSUs, column (g) reflects the grant date fair value of the target future payout which is being recognized as compensation cost, before the effect of estimated forfeitures, over the service period under FASB ASC Topic 718. The threshold payout is 50% of the target payout.



GRANT OF PLAN BASED AWARDS  
YEAR ENDED DECEMBER 31, 2009

Name (a)	Grant Date (b)	Estimated Future Payouts Under Equity Incentive Plan Awards		All Other Option Awards: Number of Securities Underlying Options (#) (e)	Exercise or Base Price of Option Awards (\$/Sh) (f)	Grant Date Fair Value of Stock and Option Awards (1) (g)
		Threshold (#) (c)	Target (#) (d)			
Allen E. Busching	1/20/09			1,709	\$22.42	\$13,313
Allen E. Busching	1/20/09	285	569			\$11,539
Paul T. Canarick	1/20/09			1,709	\$22.42	\$13,313
Paul T. Canarick	1/20/09	285	569			\$11,539
Alexander L. Cover	1/20/09			1,709	\$22.42	\$13,313
Alexander L. Cover	1/20/09	285	569			\$11,539
William H. J. Hoefling	1/20/09			1,709	\$22.42	\$13,313
William H. J. Hoefling	1/20/09	285	569			\$11,539
Howard Thomas Hogan Jr., Esq.	1/20/09			1,709	\$22.42	\$13,313
Howard Thomas Hogan Jr., Esq.	1/20/09	285	569			\$11,539
John T. Lane	1/20/09			1,709	\$22.42	\$13,313
John T. Lane	1/20/09	285	569			\$11,539
J. Douglas Maxwell Jr	1/20/09			1,709	\$22.42	\$13,313
J. Douglas Maxwell Jr	1/20/09	285	569			\$11,539
Stephen V. Murphy	1/20/09			1,709	\$22.42	\$13,313
Stephen V. Murphy	1/20/09	285	569			\$11,539
Milbrey Rennie Taylor	1/20/09			1,709	\$22.42	\$13,313
Milbrey Rennie Taylor	1/20/09	285	569			\$11,539
Walter C. Teagle III	1/20/09			3,418	\$22.42	\$26,626
Walter C. Teagle III	1/20/09	570	1,139			\$23,098

(1) For the assumptions made in determining the grant date fair value of stock and option awards see Note J "Stock-Based Compensation" to the Corporation's 2009 Consolidated Financial Statements.

GRANT OF PLAN BASED AWARDS  
JANUARY 2010

Name (a)	Grant Date (b)	Estimated Future Payouts Under Equity Incentive Plan Awards		All Other Option Awards: Number of Securities Underlying Options (#) (e)	Exercise or Base Price of Option Awards (\$/Sh) (f)	Grant Date Fair Value of Stock and Option Awards (1) (g)
		Threshold (#) (c)	Target (#) (d)			
Allen E. Busching	1/19/10			1,309	\$25.07	\$11,951
Allen E. Busching	1/19/10	218	436			\$9,893
Paul T. Canarick	1/19/10			1,309	\$25.07	\$11,951
Paul T. Canarick	1/19/10	218	436			\$9,893
Alexander L. Cover	1/19/10			1,309	\$25.07	\$11,951
Alexander L. Cover	1/19/10	218	436			\$9,893
William H. J. Hoefling	1/19/10			1,309	\$25.07	\$11,951
William H. J. Hoefling	1/19/10	218	436			\$9,893
Howard Thomas Hogan Jr., Esq.	1/19/10			1,309	\$25.07	\$11,951
Howard Thomas Hogan Jr., Esq.	1/19/10	218	436			\$9,893
John T. Lane	1/19/10			1,309	\$25.07	\$11,951
John T. Lane	1/19/10	218	436			\$9,893
J. Douglas Maxwell Jr	1/19/10			1,309	\$25.07	\$11,951
J. Douglas Maxwell Jr	1/19/10	218	436			\$9,893
Stephen V. Murphy	1/19/10			1,309	\$25.07	\$11,951
Stephen V. Murphy	1/19/10	218	436			\$9,893
Milbrey Rennie Taylor	1/19/10			1,309	\$25.07	\$11,951
Milbrey Rennie Taylor	1/19/10	218	436			\$9,893
Walter C. Teagle III	1/19/10			2,617	\$25.07	\$23,893
Walter C. Teagle III	1/19/10	437	873			\$19,809

(1) For the assumptions made in determining the grant date fair value of stock and option awards see Note J "Stock-Based Compensation" to the Corporation's 2009 Consolidated Financial Statements.

## MANAGEMENT

The following tables contain information about the executive officers of the Corporation and the Bank.

Executive Officers of the Corporation	Age	Present Capacity	Term of Office	Officer Since
Michael N. Vittorio	57	Director, President and Chief Executive Officer	3 yrs.	2002
Sallyanne K. Ballweg	54	Senior Vice President	2 yrs.	2007
Mark D. Curtis	55	Senior Vice President and Treasurer	2 yrs.	1997
John Grasso	51	Senior Vice President	1 yr.	2007
Brian J. Keeney	61	Senior Vice President	1.5 yrs.	2000
Richard Kick	52	Senior Vice President	1.5 yrs.	1991
Donald L. Manfredonia	58	Senior Vice President	1.5 yrs.	1987

Executive Officers of the Bank	Age	Present Capacity	Term of Office	Officer Since
Michael N. Vittorio	57	Director, President and Chief Executive Officer	1 yr.	2002
Sallyanne K. Ballweg	54	Senior Executive Vice President	1 yr.	2007
Mark D. Curtis	55	Executive Vice President, Chief Financial Officer and Cashier	1 yr.	1997
John Grasso	51	Executive Vice President	1 yr.	2007
Brian J. Keeney	61	Executive Vice President	1 yr.	2000
Richard Kick	52	Executive Vice President	1 yr.	1991
Donald L. Manfredonia	58	Executive Vice President	1 yr.	1982

Ms. Ballweg joined the Corporation and the Bank on December 31, 2007 as Senior Vice President of the Corporation and Senior Executive Vice President of the Bank. From 1978 through August 2007, Ms. Ballweg was employed at JPMorgan Chase, most recently as Senior Vice President responsible for managing Chase's middle market business in Queens County, New York. Previously, Ms. Ballweg was a Vice President and Team Leader responsible for Chase's middle market business on Long Island.

Mr. Grasso joined the Corporation and the Bank on January 22, 2007 as Senior Vice President of the Corporation and Executive Vice President of the Bank. From 1999 through 2006, Mr. Grasso was employed at HSBC Bank USA as Senior Vice President/District Executive responsible for managing consumer, commercial and investment business for twenty-two branches in Nassau County, Long Island. Previously he held various positions at Chase Manhattan Bank, Dime Savings Bank of New York and Ridgewood Savings Bank.

## COMPENSATION COMMITTEE REPORT

We have reviewed and discussed with management the Compensation Discussion and Analysis included herein and provided pursuant to Item 402(b) of Regulation S-K.

Based on this review and discussion, we recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

Allen E. Busching  
William H. J. Hoefling  
Howard Thomas Hogan Jr.  
Stephen V. Murphy  
Walter C. Teagle III

## COMPENSATION DISCUSSION AND ANALYSIS

The following is a discussion of the compensation awarded to, earned by, or paid to the named executive officers. The discussion explains all the material elements of the Corporation's compensation of the named executive officers. It should be read in conjunction with the other executive compensation disclosures that appear elsewhere in this proxy statement.

### Objectives Of The Executive Compensation Program

The Corporation's executive compensation program is designed to enable the Corporation to attract and retain the talent necessary to successfully operate and grow the Bank.

### What The Executive Compensation Program Is Designed To Reward

Certain elements of the executive compensation program are intended to reward current performance while others are intended to provide an incentive for continued employment and future performance.

### Elements Of Executive Compensation

The executive compensation program consists of three basic components: (1) cash; (2) equity awards currently in the form of NQSOs and RSUs; and (3) other noncash compensation.

**Cash Compensation.** The cash components of the executive compensation program are base salary and short-term incentive compensation awarded in the form of cash bonuses.

Base salary for the Chief Executive Officer is reviewed by the Compensation Committee on an annual basis. The Compensation Committee also reviews annually the base salary recommendations made by the Chief Executive Officer for the Company's other executives. Each executive officer does not necessarily receive an increase in base pay each year. In reviewing each executive officer's base salary, the Compensation Committee considers the amounts paid by peer banks and amounts set forth in compensation surveys performed by nationally recognized compensation consulting firms. The Committee also considers a variety of additional factors, which include the following:

- The executive officer's experience and tenure in his or her current position;
- The executive officer's scope of responsibilities;
- The executive officer's compensation relative to the Company's other executive officers;

- The executive officer's recent and expected future performance, particularly the executive officer's contributions to corporate performance;
- The Company's recent and expected future overall performance; and
- The Company's overall budget for base salary increases.



Cash bonuses are generally paid to executive officers in the early part of the year based on performance for the year just past. Annual bonuses for the CEO, CFO and Senior EVP are based on the Corporation's financial performance for the past year as measured by net income, ROA, and the loan to deposit ratio. Net income is assigned a 50% weight, while ROA and the loan to deposit ratio are each assigned a weight of 25%. Annual bonuses for the other executive officers are based on a combination of corporate financial performance and personal performance. For all but Mr. Keeney, the Bank's Executive Trust Officer, corporate financial performance is assigned a weight of 80%, while personal performance is assigned a weight of 20%. For Mr. Keeney, the weight assigned to corporate financial performance is 50% and the remaining 50% is assigned to personal performance. Beginning in 2010, Mr. Keeney and Mr. Grasso, the Bank's executive in charge of branch distribution, will each have a 25% weight for corporate financial performance and a 75% weight for personal performance. Bonuses for all executive officers can be increased or decreased at the discretion of the Compensation Committee and, for officers other than the CEO, the discretion of the CEO.

For cash bonuses to be awarded on account of corporate financial performance, such performance must fall within a predetermined range selected by the Compensation Committee. The range consists of a threshold level, or minimum performance level necessary to earn a bonus and below which no bonus is paid; a maximum level, or performance level necessary to earn the maximum bonus and beyond which no additional bonus can be earned; and a target level, or performance level necessary to earn the target bonus. The target level of performance for net income, ROA and the loan to deposit ratio in any given year is equal to the level for each such metric set forth for the corresponding year in the Corporation's strategic plan. The difference between the target level of performance and the threshold level of performance is roughly equivalent to the difference between the performance of banks in the 50th percentile and the 25th percentile of the Corporation's peer group, while the difference between the target level of performance and the maximum level of performance is roughly equivalent to the difference between the performance of banks in the 50th percentile and the 75th percentile of the Corporation's peer group. For cash bonuses to be awarded on account of personal performance, the executive officer must successfully achieve personal goals, such as growth in demand deposit balances or the successful introduction and implementation of a new product. Such goals are designed to drive, either directly or indirectly, the Corporation's current and/or future performance.

If the Corporation achieves the target levels for net income, ROA and the loan to deposit ratio set forth in its strategic plan, the CEO receives a cash bonus equal to 35% of his base salary and the CFO and other executive officers receive cash bonuses equal to 30% of their base salaries. However, the receipt of the full 30% by executive officers other than the CFO and Senior EVP is contingent upon the achievement of all personal goals. The CEO can earn a cash bonus of 52.5% of his base salary and the other executive officers can earn bonuses of 45% of their base salaries for a maximum level of performance in terms of net income, ROA and the loan to deposit ratio. Conversely, if net income, ROA and the loan to deposit ratio just hit threshold levels of performance, the cash bonus for the CEO will be 17.5% of his base salary and the cash bonuses for the CFO and other executive officers will be 15% of their base salaries. In the event that the maximum or threshold level of financial performance is achieved, the receipt of the full corresponding bonus of 45% or 15% of base salary, respectively, by executive officers other than the CFO and the Senior EVP is contingent on the achievement of all personal goals. Performance greater than the threshold level but less than the maximum level will result in bonuses based on corporate financial performance proportionately greater than the minimum bonuses but less than the maximum bonuses. If less than the threshold level of net income, ROA and the loan to deposit ratio are achieved, neither the CEO nor the other executive officers will receive cash bonuses on account of corporate financial performance. For determining 2009 cash bonuses, the threshold level of net income, ROA and loan to deposit ratio was \$9.8 million, .85%, and 54.84%, respectively; the target level of net income, ROA and loan to deposit ratio was \$13.0 million, 1.13%, and 57.73%, respectively; and the maximum level of net income, ROA and loan to deposit ratio was \$22.8 million, 1.70%, and 69.28%, respectively. The actual levels achieved for 2009 and used to determine the cash bonuses reflected in column (d) of the Summary Compensation Table were net income of \$13.5 million, ROA of .95% and a year-end loan to deposit ratio of 64.79%.



Cash bonuses for the CEO and other executive officers can be reduced at the discretion of the Compensation Committee in any year in which the Bank's regulatory rating declines. In addition, in the future the Compensation Committee may use different metrics to measure corporate performance such as earnings per share, return on average stockholders' equity ("ROE") and the CAMELS rating assigned by the Bank's primary federal regulator.

2009 and January 2010 Equity Awards. The equity components of executive compensation are currently NQSOs and RSUs. Equity awards are generally made to executive officers in the early part of the year based on performance for the year just past. Corporate financial performance for purposes of determining both NQSO and RSU awards will be assessed by comparing the Corporation's actual net income and ROA for the year to the level for each set forth for the corresponding year in the Bank's strategic plan. In assessing overall financial performance, net income and ROA will each be assigned a weight of 50%.

If the Corporation achieves the levels of net income and ROA set forth in its strategic plan, the CEO and other executive officers will each receive NQSOs with a grant date fair value equal to 20% of their base salaries and RSUs with a grant date fair value equal to 20% of their base salaries. For this purpose, the grant date fair value of RSUs is equal to the Corporation's closing stock price on the date of grant and the grant date fair value for NQSOs is equal to one third (1/3) of the closing stock price. The CEO and other executive officers can receive NQSOs and RSUs each with a grant date fair value of 30% of their base salaries for maximum levels of net income and ROA. Conversely, if net income and ROA just hit threshold levels of performance, the CEO and other executive offices will receive NQSOs and RSUs each with a grant date fair value equal to 10% of their base salaries. If less than the threshold level of net income and ROA are achieved, neither the CEO nor the other executive officers will receive awards of NQSOs or RSUs. Performance greater than the threshold level but less than the maximum level will result in NQSO and RSU awards proportionately greater than the threshold awards but less than the maximum awards. The 2009 equity awards reflected in columns (c) through (e) of the Grant of Plan Based Awards Table for executive officers were based on actual net income and ROA for 2008 of \$13.0 million and 1.10%, respectively. The threshold level of net income and ROA for 2008 was \$8.9 million and .83%, respectively, the target level of net income and ROA was \$11.8 million and 1.10%, respectively, and the maximum level of net income and ROA was \$20.7 million and 1.65%, respectively. The equity awards granted in January 2010 and also reflected in columns (c) through (e) of the Grant of Plan Based Awards Table for executive officers were based on actual net income and ROA for 2009 of \$13.5 million and .95%, respectively. The threshold level of net income and ROA for 2009 was \$9.8 million and .85%, respectively; the target level of net income and ROA was \$13.0 million and 1.13%, respectively; and the maximum level of net income and ROA was \$22.8 million and 1.70%, respectively.

NQSOs will generally vest ratably over five (5) years and RSUs may be convertible into shares of common stock after three years. Vesting of both NQSOs and RSUs may be subject to acceleration in the event of death, total and permanent disability or retirement. All RSUs granted to date have a clawback feature in that the ability to convert them into shares of common stock and the related conversion ratio will be dependent on the Corporation's performance in the third year of the three calendar year period beginning with the year in which the RSUs were awarded. Corporate performance for purposes of converting RSUs will be assessed using the same financial performance metrics used for the awarding of NQSOs and RSUs. For all outstanding RSUs, the threshold level of performance will result in a conversion ratio of one RSU for one-half (1/2) share of common stock and performance at or above the target level will result a conversion ratio of one RSU for one share of common stock. Performance greater than the threshold level but less than the target level will result in a conversion ratio proportionately greater than one RSU for one-half (1/2) share of common stock but less than one RSU for one share of common stock. If net income and ROA fall below the threshold level, the RSUs will expire and not be convertible into shares of the Corporation's common stock.

The Corporation does not have equity or other security ownership requirements for its executive officers.

**Other Noncash Compensation.** Other noncash compensation consists of: (1) retirement benefits paid under the Bank's defined benefit pension plan (the "Pension Plan") and 401(k) plan; (2) supplemental executive retirement benefits paid under the Bank's Supplemental Executive Retirement Plan ("SERP"); and (3) fringe benefits not available to the general employee population of the Bank.

The only participant in the SERP, which is described in detail elsewhere in this proxy statement, is the CEO. Noncash fringe benefits, other than those available to the general employee population at the Bank, include the personal use of business automobiles and country clubs. As of December 31, 2009, all of the Bank's executive officers have use of a company automobile and the Bank's CEO and SEVP have country club memberships.

The Compensation Committee periodically evaluates the competitiveness of the Corporation's retirement benefits for executive officers and all other employees on the basis of the percentage of employment income replaced by such benefits in retirement versus the percentage replaced by the programs of its peers. Gains from prior stock option awards have not been specifically considered in setting retirement benefits.

#### Why We Choose To Pay Each Element of Executive Compensation

The Compensation Committee believes that base salary for an executive officer should compensate the officer for the skills and effort required to perform the officer's day-to-day responsibilities, taking into account the size and complexity of the Company.

The Compensation Committee has included incentive compensation awarded in the form of annual bonuses in the executive compensation program as a means to incent executive officers to maximize corporate performance through, among other things, the achievement of corporate goals set forth in the Corporation's strategic plan and personal goals set for the officer at the beginning of each fiscal year. Longer-term components of compensation, which include awards under the Corporation's stock-based compensation program and retirement benefits provided by the Corporation's Pension, 401(k), and SERP plans are provided to encourage executive officers to maintain their employment with the Corporation and maximize long-term corporate performance. The purpose of the SERP is to provide executive officers selected by the Compensation Committee with the additional pension and 401(k) benefits, if any, that they would receive in the absence of Internal Revenue Code provisions which limit the amount of compensation that can be considered in determining retirement benefits to be paid under the Bank's tax qualified retirement plans. Country club memberships are provided to certain executive officers to aid them in achieving their business development and business retention goals. Business automobiles are generally provided to executive officers

as an alternative to reimbursing such officers for mileage driven on account of business conducted on behalf of the Bank.

## How We Determine The Amount To Pay For Each Element of Executive Compensation

The total compensation paid by the Corporation to each of its executive officers is based on a variety of factors including: (1) the Company's recent and expected future overall performance; (2) current economic conditions and the effect thereof on the Company's performance and that of its peers; (3) the executive officer's experience and tenure in his or her current position, years of service with the Bank, scope of responsibilities, leadership ability, compensation relative to the Company's other executive officers, recent and expected future performance, and contributions to corporate performance; and (4) a comparison of total compensation and each element of compensation paid to the executive to compensation amounts paid by peer banks to executives with similar roles and compensation amounts for executives with similar roles set forth in published industry surveys. As previously discussed, comparative compensation studies are performed and updated on a periodic basis by an independent compensation consulting firm engaged by and working under the direction of the Corporation's Compensation Committee. For the study performed in 2009 by PM&P, the comparative peer group included sixteen (16) publicly held banks located in New York, New Jersey and the Philadelphia, PA area. The peer banks are similar in size and scope to the Bank, with total assets ranging from approximately \$734 million to \$2.2 billion, versus total assets for the Bank of approximately \$1.7 billion at year-end 2009. The peer banks included State Bancorp, Inc., Suffolk Bancorp, Smithtown Bancorp, Inc., Sterling Bancorp, Royal Bancshares of Pennsylvania, Inc., Peapack-Gladstone Financial Corporation, Center Bancorp, Inc., Bryn Mawr Bank Corporation, Univest Corporation of Pennsylvania, First Chester County Corporation, Berkshire Bancorp, Inc., Unity Bancorp, Inc., Bridge Bancorp, Inc., Harleysville Savings Financial Corporation, Carver Bancorp, Inc. and TF Financial Corporation.

The Compensation Committee currently believes that total compensation for executive officers should, as a general matter, be market competitive, or in the range of 85% to 115% of the market median. The market median is calculated using compensation data for the comparative peer group and compensation data from published industry surveys. Specific pay positioning for each executive within the market competitive range varies, and for some executives may actually fall outside the range, based on, among other things, the factors set forth in items (1), (2) and (3) of the preceding paragraph.

In terms of base salary for the Company's named executive officers, the PM&P study found that base salaries ranged from 8% below the market median to 11% above the market median. The variance from the market median for Company's highest to lowest paid named executive officer is -1%, -8%, +2%, +9% and +11%. The PM&P study also found that the Company's targets for cash bonuses of 35% of base salary for the CEO and 30% of base salary for the other executives are market competitive, and the target for equity awards of 40% of base salary for the CEO and other executives is slightly higher than typical market practice. PM&P pointed out that a slightly higher target for equity awards is justified since the Company's grants are strongly aligned with performance and, with respect to RSUs, have subsequent vesting that requires sustained performance.

When PM&P compared the most recently available information for total cash compensation (salary and bonus) and direct compensation (total cash compensation plus equity awards) for the Company's named executive officers to the market median, PM&P found that total cash compensation ranged from 12% to 25% above the market median. The variance from the market median for the Company's highest to lowest paid named executive officer is +18%, +12%, +22%, +22% and +25%. The above market median payouts are reflective of the Company's strong performance versus weak performance by a number of its peers. The PM&P study also found that direct compensation for selected officers, namely the CEO, CFO and Senior Lending Officer, varied from the market median by +43%, +52%, and +39%, respectively. The above market direct compensation amounts are again reflective of the Company's strong performance versus the weak performance by a number of its peers.

#### Termination and Change in Control Payments

Each of the named executive officers has an employment agreement with the Corporation that provides for severance compensation in the event of an involuntary termination of employment or resignation of employment following a change in control. These provisions are designed to insure that the executive officers of the Bank are not significantly harmed or unduly enriched and are thereby indifferent to the consummation of a transaction, such as a sale or merger of the Bank, that may be in the best interests of the Corporation's shareholders. In determining the severance arrangement for the CEO and each of the other executive officers, the Compensation Committee considered the severance arrangements offered by peer banks to their CEOs and other executive officers.

#### Impact of Accounting and Tax Treatment of Certain Elements of Compensation

Effective January 1, 2006, the date the Corporation adopted Statement of Financial Accounting Standards No. 123(R), the Compensation Committee began granting nonqualified stock options as opposed to incentive stock options as had been granted in the past. Nonqualified stock options are advantageous from the Corporation's standpoint because, unlike incentive stock options, the Corporation can record a book tax benefit for the compensation cost recognized for financial statement reporting purposes under SFAS No. 123(R) and receives a tax benefit upon the exercise of in-the-money options.

#### Role of Executive Officers In Determining Executive Compensation

The proposed compensation of executive officers is determined by the Compensation Committee, periodically working in conjunction with compensation consultants, and then recommended to the Board. From time to time certain executive officers have served as a resource to the Compensation Committee in gathering the information necessary to make such compensation determinations. However, these officers do not have a significant policy-making role with respect to determining the amount or form of executive compensation.

#### Compensation Policies and Practices As They Relate To Risk Management

The Compensation Committee has determined that the Company's compensation policies and practices for its employees, including non-executive officers, are not reasonably likely to have a material adverse effect on the Company.

## COMPENSATION OF EXECUTIVE OFFICERS

Included in the Summary Compensation Table that follows is information with respect to the aggregate compensation paid or accrued during each of the three years in the period ended December 31, 2009 to the CEO, CFO and each of the additional three most highly compensated executive officers of the Bank who received total compensation, excluding that reported in column (g) of the Summary Compensation Table, of more than \$100,000 for services rendered to the Corporation or the Bank (the “named executive officers”). All compensation information is provided pursuant to the Securities and Exchange Commission executive compensation disclosure rules for proxy statements. All of the listed officers are also officers of the Corporation but received salaries only from the Bank. No compensation for their employment other than stock options and RSUs was received from the Corporation.

SUMMARY COMPENSATION TABLE  
YEARS ENDED DECEMBER 31, 2009, 2008 AND 2007

Name and Principal Position (a)	Year (b)	Base Salary (\$) (c)	Bonus (\$) (d)	Grant Date Fair Value of Stock Awards (1) (\$) (e)	Grant Date Fair Value of Option Awards (1) (\$) (f)	Change in Pension Value (\$) (g)	All Other Compen- sation (\$) (h)	Total (\$) (i)
Michael N. Vittorio President, Chief Executive Officer and Director	2009	\$407,000	\$143,590	\$73,028	\$84,172	\$111,731	\$53,112	\$872,633
	2008	\$390,000	\$161,460	\$70,115	\$84,018	\$104,197	\$57,696	\$867,486
	2007	\$371,000	\$149,179	\$64,657	\$35,465	\$51,972	\$56,777	\$729,050
Sallyanne K. Ballweg Senior Vice President	2009	\$230,500	\$70,459	\$40,722	\$46,942	\$21,996	\$8,178	\$418,797
	2008	\$217,500	\$75,000	-	\$6,718	-	\$1,006	\$300,224
Mark D. Curtis Senior Vice President and Treasurer	2009	\$215,450	\$66,286	\$38,573	\$44,458	\$61,366	\$9,497	\$435,630
	2008	\$206,000	\$80,815	\$37,705	\$45,177	\$59,570	\$9,268	\$438,535
	2007	\$199,500	\$68,558	\$35,421	\$14,351	\$41,819	\$9,795	\$369,444
Donald L. Manfredonia Senior Vice President	2009	\$215,000	\$67,532	\$40,256	\$46,405	\$118,309	\$10,968	\$498,470
	2008	\$215,000	\$72,262	\$39,688	\$47,555	\$116,520	\$10,668	\$501,693
	2007	\$210,000	\$70,497	\$38,254	\$15,488	\$70,828	\$10,407	\$415,474
Richard Kick Senior Vice President	2009	\$212,100	\$56,867	\$38,187	\$44,029	\$63,610	\$10,166	\$424,959
	2008	\$204,000	\$77,574	\$37,335	\$44,726	\$61,340	\$9,876	\$434,851
	2007	\$197,500	\$77,703	\$35,067	\$14,205	\$46,903	\$9,685	\$381,063

(1) The values shown represent the aggregate grant date fair values computed in accordance with FASB ASC Topic 718. For the assumptions made in determining the grant date fair value of stock and option awards see Note J "Stock-Based Compensation" to the Corporation's 2009 Consolidated Financial Statements.

(2) The components of the all other compensation amounts for 2009 shown in column (h) of the “Summary Compensation Table” are set forth in the table that follows. The 401(k) contributions shown in the table do not



include amounts paid under the SERP. Such amounts are reported in the “Nonqualified Deferred Compensation Table” appearing elsewhere in this proxy statement. All other compensation does not include the incremental cost to the Corporation of providing the named executive officers with group life and health insurance benefits, because such benefits do not discriminate in scope, terms or operation in favor of the named executive officers and are available generally to all employees.

ALL OTHER COMPENSATION TABLE  
YEAR ENDED DECEMBER 31, 2009

Name	Perquisites and Other		Tax Gross Up on SERP	Contributions 401(k) Matching Contributions	Total All Other Compensation
	Personal Use of Business Auto	Personal Use of Country Club			
Michael N. Vittorio	\$878	\$308	\$44,576	\$7,350	\$53,112
Sallyanne K. Ballweg	\$1,008			\$7,170	\$8,178
Mark D. Curtis	\$2,793			\$6,704	\$9,497
Donald L. Manfredonia	\$3,845	\$425		\$6,698	\$10,968
Richard Kick	\$3,566			\$6,600	\$10,166

As further described in the “Employment Contracts” section of this proxy statement, each of the named executive officers has an employment contract with the Corporation. Mr. Vittorio’s contract has a three (3) year term beginning January 1, 2010, the contracts for Ms. Ballweg and Mr. Curtis have two (2) year terms beginning January 1, 2010, and the other named executive officers have contracts with eighteen (18) month terms beginning January 1, 2010.

The Compensation Committee recognizes that currently paid out compensation, consisting primarily of salary and bonus, comprises the most significant portion of each executive officer’s total compensation. Under the 2007 Incentive Plan, equity awards became a more significant piece of each executive officer’s total compensation. The target annual equity award for each executive officer is equity with a value equal to 40% of base salary and the maximum annual equity award will be equity with a value equal to 60% of base salary.

COMPENSATION PURSUANT TO PLANS

Pension Plan

The Bank is a participant in the New York State Bankers Retirement System Pension Plan and maintains the related SERP described below. For each of the named executive officers, the following table sets forth the present value of accumulated benefits under the Pension Plan as of December 31, 2009 and the SERP as of September 30, 2009 and the number of years of credited service through December 31, 2009.

## PENSION BENEFITS

Name	Plan Name	Number of Years of Credited Service	Present Value of Accumulated Benefit (1)
(a)	(b)	(#)	(\$)
		(c)	(d)
Michael N. Vittorio	a) Tax Qualified Defined Benefit Pension Plan	6.42	\$163,482
	b) Supplemental Executive Retirement Plan	6.42	\$201,359
Sallyanne K. Ballweg	Tax Qualified Defined Benefit Pension Plan	1.00	\$21,996
Mark D. Curtis	Tax Qualified Defined Benefit Pension Plan	12.00	\$343,922
Donald M. Manfredonia	Tax Qualified Defined Benefit Pension Plan	26.08	\$869,838
Richard Kick	Tax Qualified Defined Benefit Pension Plan	17.75	\$414,184

(1) The significant actuarial assumptions used in determining the present value of the accumulated benefit for each named executive officer under the Pension Plan are set forth in Note K to the Corporation's 2009 consolidated financial statements. With respect to the SERP, a discount rate of 4.19% was used to determine the present value of the accumulated benefit. This discount rate is equivalent to the average yield of the thirty (30) year U.S. Treasury Bond for the month preceding the valuation date and is believed to be a reasonable estimate of the rate implicit in a single life annuity that could be purchased from an insurance company to settle the Corporation's obligation upon retirement under the SERP.

The Pension Plan covers employees who are over the age of 21 years and have been employed for over one year. The normal retirement age is 65 and early retirement with reduced benefits is available at age 55. However, an unreduced benefit is available at age 62 or above to a participant with at least 10 years of vesting service whose employment terminates after age 55 and who begins receiving benefits after attaining age 62. Upon retirement, each participant with a spouse is paid a benefit in the form of a joint and survivor annuity. Participants without a spouse are paid a benefit in the form of a single life annuity guaranteed for sixty (60) months. All participants, whether with or without a spouse, may elect optional forms of benefit payments. For all participants, the annuity benefit is computed by (i) multiplying the participant's Average Compensation by the product of 1.75 percent and the participant's credited years of service (to a maximum of 35 years), (ii) adding 1.25 percent of Average Compensation multiplied by the participant's credited years of service in excess of 35 years (up to five such years), and (iii) subtracting the product of .49 percent of the participant's Final Average Compensation, limited to Covered Compensation, and the participant's Benefit Service up to 35 years. The .49 percent represents the minimum Social Security offset to the pension benefit. Average Compensation, Final Average Compensation, Covered Compensation and Benefit Service are all as defined in the Pension Plan.

The Bank makes annual payments to a trust fund, computed on an actuarial basis, to fund benefits under the Pension Plan. Contributions of \$5,500,000 and \$2,427,063 were made for the plan years ending September 30, 2009 and 2008, respectively. Employees also make contributions of 2 percent of their compensation. An employee becomes fully vested after 5 years of service with the Bank and 4 years of participation in the Pension Plan (no vesting occurs during that 5-year period) or upon attainment of age 55.

The elements of compensation used to determine benefits paid under both the Pension Plan and SERP include base salary, commissions, bonuses, taxable fringe benefits, reimbursements and expense allowances, but exclude employer contributions to the 401(k) plan, amounts realized from the exercise of nonqualified stock options and amounts realized from the sale, exchange or other disposition of stock. Sections 401(a)(17) and 415 of the Internal Revenue Code of 1986, as amended, limit the annual benefits which may be paid from a tax-qualified retirement plan. For SERP participants, any benefits which may be above the limits under these sections would be payable under the SERP.

Messrs. Curtis, Keeney, Manfredonia, and Vittorio have each attained age 55 and are therefore eligible for early retirement under the Pension Plan. Since Messrs. Curtis and Manfredonia each have more than ten (10) years of vesting service, if they were to elect early retirement their accrued pension benefit under the Pension Plan would be reduced by three percent (3%) for each year that they elect to have their pension benefit commence before the attainment of age 62. Since Messrs. Keeney and Vittorio each have less than ten (10) years of vesting service, if they were to elect early retirement their accrued pension benefit under the Pension Plan would be reduced by three percent (3%) for each year that they elect to have their pension benefit commence before the attainment of age 65.

#### Supplemental Executive Retirement Plan

On August 3, 1995, the Corporation adopted The First National Bank of Long Island Supplemental Executive Retirement Plan. The SERP provides the additional benefits, if any, that would have been provided under the Pension Plan and 401(k) plan in the absence of Internal Revenue Code limitations for qualified plans. The benefits are provided for employees designated by the Compensation Committee of the Board of Directors. Mr. Vittorio is the only participant in the SERP as of December 31, 2009.

Supplemental pension and 401(k) plan contributions, if any, under the SERP are made to a "secular trust" for the benefit of the participant(s). Amounts contributed to the secular trust are not subject to the claims of creditors of the Bank. Accordingly, the contributions are taxable to the participant(s) and deductible by the Bank when made. Supplemental retirement plan contributions for the participant(s) are made in an amount estimated to be sufficient to fund future benefits after withholding taxes on the contribution amount. Trust income is also taxable to the participant(s). The Bank pays the participant(s) an amount that, after taxes on this amount are withheld, will be sufficient for the participant(s) to pay taxes on the trust income.

The following Nonqualified Deferred Compensation Table sets forth information as of and for the year ended December 31, 2009 for Mr. Vittorio with respect to the 401(k) SERP. The other named executive officers are not participants in the SERP. The amount reported in the "Registrant Contributions" and "Aggregate Earnings" columns of the table (columns (b) and (c)) are not included in compensation for the last completed fiscal year in the "Summary Compensation Table" appearing elsewhere in this proxy statement. Approximately \$13,000 of the amount included in the "Aggregate Balance at Last Fiscal Year End" column of the table (column (d)) was reported as compensation for Mr. Vittorio in the Company's Summary Compensation Tables for previous years.

NONQUALIFIED DEFERRED COMPENSATION  
YEAR ENDED DECEMBER 31, 2009

Name	Registrant Contributions in Last Fiscal Year	Aggregate Earnings in Last Fiscal Year	Aggregate Balance at Last Fiscal Year End
(a)	(\$) (b)	(\$) (c)	(\$) (d)
Michael N. Vittorio	\$4,860	\$753	\$30,717

#### 401(k) Plan

The Bank has a 401(k) plan. Employees are eligible to participate provided they are at least 18 years of age. The Bank may, at its sole discretion, make matching contributions to each participant's account based on the amount of the participant's tax deferred contributions. Eligibility for employer matching contributions, if any, occurs after completing twelve (12) consecutive months of Eligibility Service, as defined, in which the participant worked a minimum of 1,000 hours. The sum of employee and employer matching contributions plus any other additions to a participant's account currently can not exceed the lesser of \$49,000 or 100% of the participant's compensation. Participants are fully vested in their elective contributions and, after five years of participation in the 401(k) plan, are fully vested (20% vesting per year) in the matching contributions, if any, made by the Bank. Matching contributions were approximately \$325,000, \$291,000, and \$279,000 for 2009, 2008, and 2007, respectively.

Participants in the 401(k) plan will receive benefits generally upon attainment of age 65. However, the 401(k) plan contains provisions allowing pre-termination withdrawals and loans under certain circumstances. The amount of a participant's Normal Retirement Benefit will depend upon the accumulation of contributions and forfeitures and the investment performance of the Plan. The 401(k) matching contributions for 2009 made to the account of each named executive officer are set forth in the "All Other Compensation Table" appearing elsewhere in this proxy statement.

#### Retirement Plan For Directors

On June 18, 1991, the Board of Directors of the Bank adopted The First National Bank of Long Island Retirement Plan for Directors (the "Retirement Plan"). Effective December 31, 2000, the Retirement Plan was terminated. Upon termination, the benefits earned by directors for services rendered through December 31, 2000 were frozen and the ability of directors to earn additional benefits under the Retirement Plan was discontinued. Upon retirement after attaining the age of sixty (60) years, each of the current directors who was a director prior to 2001 will receive a credit (the "Credit Percentage") of ten percent (10%) multiplied by the number of years of service on the Board through December 31, 2000, to a maximum of one hundred percent (100%). The annual benefit (the "Annual Benefit") under the Retirement Plan is equal to the monthly Board of Directors' attendance fee in effect as of December 31, 2000 of \$1,000, multiplied by twelve (12) and then multiplied by the Credit Percentage. The Annual Benefit is payable for a period of seven (7) years from the date of retirement (the "Payment Period"), in quarterly installments. In the event of the death of a director or a retired director, the surviving spouse of such director shall be entitled to receive an annual payment equal to seventy-five percent (75%) of the Annual Benefit, calculated as set forth above, and payable over the remainder of the applicable Payment Period.

## Stock Compensation Plans

The Corporation has two share-based compensation plans. The 1996 Stock Option and Appreciation Rights Plan (the “1996 Plan”), which expired on January 15, 2006, permitted the granting of stock options, with or without stock appreciation rights attached, and stand alone stock appreciation rights to employees and non-employee directors for up to 1,080,000 shares of common stock. The number of stock options and stock appreciation rights that could have been granted under the 1996 Plan to any one person in any one fiscal year was limited to 50,000. Each option granted under the 1996 Plan was granted at a price equal to the fair market value of one share of the Corporation’s stock on the date of grant. Options granted under the 1996 Plan on or before December 31, 2000 became exercisable in whole or in part commencing six months from the date of grant and ending ten years after the date of grant. Options granted under the 1996 Plan in January 2005 became exercisable in whole or in part commencing ninety days from the date of grant and ending ten years after the date of grant. By the terms of their grant, all other options under the 1996 Plan were granted with a three year vesting period and a ten year expiration date.

The 2006 Stock Compensation Plan (the “2006 Plan”) was approved by the Corporation’s shareholders on April 18, 2006 as a successor to the 1996 Plan. All capitalized terms in the discussion that follows are defined in the 2006 Plan.

The 2006 Plan is intended to provide a method whereby certain Key Employees and Directors of the Corporation and its Subsidiaries who are largely responsible for the management, growth and protection of the business, may acquire the Corporation’s common stock, \$.10 par value (the “Common Stock”), thereby increasing their proprietary interest in the business, providing them with greater incentive for continued employment, and promoting the interests of the Corporation and its stockholders. The Plan is further intended to provide flexibility to the Corporation in its ability to attract, motivate, and retain the services of such Key Employees and Directors.

The maximum number of shares of Common Stock of the Corporation which are subject to Awards under the 2006 Plan is 600,000. No grantee may, during any fiscal year of the Corporation, receive awards under the 2006 Plan which, in the aggregate, exceed 70,000 shares. If any outstanding Award under the 2006 Plan for any reason expires or is terminated, the shares allocable to the unexercised portion of such Award, including Shares of Restricted Stock and Restricted Stock Units which did not vest in the Grantee, may again be made subject to an Award under the Plan.

The 2006 Plan is administered by the Compensation Committee of the Board of Directors. Subject to review by the Board of Directors, the Committee is vested with full authority to interpret the provisions of the 2006 Plan and adopt such rules, regulations and guidelines as it deems necessary or desirable to administer the 2006 Plan. The Corporation may grant to Directors and Key Employees from time to time during the term of the 2006 Plan one or more of the following: Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock and Restricted Stock Units. No consideration will be received by the Corporation or the Bank for the granting of Awards under the 2006 Plan. Each Award granted by the Compensation Committee shall be evidenced by an Award Agreement. Subject to the applicable provisions of the Code, the terms, provisions, and conditions of the Plan, and review by the Corporation’s Board of Directors, the Committee shall have exclusive jurisdiction to determine: (i) the individuals to whom Awards shall be granted and the type of each such Award (it being understood that more than one Award may be granted to the same person); (ii) the number of shares subject to each Award; (iii) the date or dates when the Awards will be granted; (iv) the exercise price of the shares subject to each Option or Stock Appreciation Right; (v) the time periods during which each Option or Stock Appreciation Right may be exercised including, but not limited to the time periods applicable in the event of the death, Retirement or Total and Permanent Disability of a Grantee; (vi) whether or not an Option constitutes an Incentive Stock Option; and (vii) the Period of Restriction applicable to an Award. Generally, the Compensation Committee may also modify, extend, or renew outstanding Options and Stock Appreciation Rights granted under the 2006 Plan or accept the surrender of outstanding Options and Stock Appreciation Rights (to the extent not theretofore exercised) and authorize the granting of new Options and Stock Appreciation Rights in substitution therefor.



Generally, the Board may at any time terminate, amend, modify, or suspend the Plan, provided that, without the approval of the stockholders of the Corporation, no amendment or modification shall be made by the Board which: (a) increases the maximum number of shares as to which Awards may be granted under the Plan; (b) alters the method by which the Option price or Appreciation Right value is determined; (c) extends any Option or Appreciation Right for a period longer than ten (10) years after the date of the grant; (d) materially modifies the requirements as to eligibility for participation in the Plan; or (e) enables the Board to take any action described in clauses (a), (b), (c) or (d) without shareholder approval.

Subject to Section 422 of the Code, the Committee may designate all or a portion of any Option as either an Incentive Stock Option or a Nonqualified Stock Option. Both Options and Stock Appreciation Rights shall have an exercise price that is not less than one hundred per cent of the fair market value of one share of the Corporation's Common Stock on the Grant Date. Each Option or Stock Appreciation Right granted under the 2006 Plan shall terminate on the date determined by the Committee and specified in the Award Agreement. A Grantee or permitted transferee of an Option or Stock Appreciation Right shall have no rights as a stockholder with respect to any Shares covered by such Option or Stock Appreciation Right until the exercise of the Option or, if settled in stock, the Stock Appreciation Right. Generally, Options and Stock Appreciation Rights may be exercised only during the continuance of the Grantee's employment or service as a Director. A Grantee may pay the exercise price of an Option either in cash or common stock of the Corporation or any combination thereof. Stock Appreciation Rights may be settled in cash or stock of the Corporation as determined by the Committee and set forth in the applicable Award Agreement. A Grantee may generally elect to exercise Options or Stock Appreciation Rights in any order without regard to the dates on which such options or stock appreciation rights were granted. The amount to which a Grantee shall be entitled upon the exercise of each Stock Appreciation Right granted pursuant to the Plan shall be equal to one hundred per cent (100%) of the amount, if any, by which the fair market value of a Share of Common Stock on the exercise date exceeds the fair market value of a Share of Common Stock on the Grant Date. Stock Appreciation Rights may not be exercised during any period in which trading in the Common Stock is prohibited by the terms of the insider trading policy of the Corporation, as set forth in its Code of Conduct, as the same may be amended from time to time. The ability, if any, to exercise Options or Stock Appreciation Rights after death, total and permanent disability, retirement, termination or resignation and the accelerated vesting, if any, of Awards upon the occurrence of any such event shall be governed by rules adopted by the Compensation Committee. No Award granted under the Plan shall be assignable or transferable by the Grantee other than by will or the laws of descent and distribution and during the lifetime of a Grantee the Award shall inure to the benefit of and be exercisable only by such Grantee.



In addition to awards of Options and Stock Appreciation Rights, the Compensation Committee may also grant Shares of Restricted Stock and Restricted Stock Units. An award of Restricted Stock Units shall be similar to an award of Restricted Stock, except that no Shares shall actually be awarded to a Grantee of Restricted Stock Units on the Grant Date. Generally, shares of Restricted Stock shall become freely transferable by the Grantee after all conditions and restrictions applicable to such shares, as set forth in the applicable Award Agreement, shall have been satisfied or lapsed, and Restricted Stock Units shall be paid in cash, Shares, or a combination of cash and Shares as determined by the Committee and set forth in the Award Agreement. To the extent permitted by law, a Grantee holding shares of Restricted Stock shall have the right to exercise full voting rights with respect to such Shares during the applicable Period of Restriction. Grantees of Restricted Stock Units shall have no voting rights with respect thereto. During the Period of Restriction, a Grantee holding Shares of Restricted Stock or Restricted Stock Units will, if required by law or determined by the Compensation Committee, be credited with dividends paid with respect to Restricted Stock or dividend equivalents with respect to Restricted Stock Units while they are so held, in a manner determined by the Compensation Committee and set forth in the applicable Award Agreement. Subject to applicable law, the Compensation Committee may apply any restrictions to the dividends or dividend equivalents that the Committee deems appropriate.

Under present federal tax laws, the grant of an Incentive Stock Option, a Nonqualified Stock Option or a Stock Appreciation Right will create no tax consequences for either the optionee or the Corporation. Upon exercise of an Incentive Stock Option, there will be no taxable income to the optionee (except that the alternative minimum tax may apply), and the Corporation will receive no deduction when an Incentive Stock Option is exercised. Upon the disqualification of an Incentive Stock Option, or the exercise of a Nonqualified Stock Option or Stock Appreciation Right the optionee recognizes ordinary income to the extent the fair market value of the Common Stock on the date of exercise exceeds the exercise price. For awards of Restricted Stock or Restricted Stock Units, unless vested or, in the case of Restricted Stock, the participant elects to be taxed at the time of grant, the participant will not have taxable income upon grant, but upon vesting will recognize ordinary income equal to the fair market value of the Restricted Stock or the Restricted Stock Units at the time of vesting less the amount paid, if any, for such stock or units. Generally, the Corporation is allowed a tax deduction equal to the amount of ordinary income recognized by the recipient of an award of Restricted Stock or Restricted Stock Units in the year in which the recipient recognizes such income.

In the event that the shares of the Corporation, as presently constituted, shall be changed into or exchanged for a different number or kind of shares of stock or other securities of the Corporation or of another corporation (whether by reason of merger, consolidation, recapitalization, reclassification, split-up, combination of shares, or otherwise) or if the number of such shares of stock shall be increased through the payment of a stock dividend or stock split, then generally there shall be substituted for or added to each share of Stock of the Corporation which was theretofore appropriated to an outstanding Award, or which thereafter may become subject to an Award under the 2006 Plan, the number and kind of shares of stock or other securities into which each outstanding share of Stock of the Corporation shall be so changed or for which each such share shall be exchanged or to which each such share shall be entitled, as the case may be. Outstanding Awards shall be appropriately amended as to price and other terms, as may be necessary to reflect the foregoing events.

If there shall be any other change in the number or kind of the outstanding shares of Stock of the Corporation, or of any Stock or other securities into which such Stock shall have been changed, or for which it shall have been exchanged, and if such change equitably requires an adjustment in any Award which was theretofore granted or which may thereafter be granted under the Plan, then such adjustment shall be made.

Notwithstanding anything to the contrary in any Award Agreement, in the event of a Change in Control, any outstanding Options or Stock Appreciation Rights will become immediately exercisable and Restricted Stock, Restricted Stock Units and all accrued dividends and dividend equivalents shall become immediately vested.

Information as of December 31, 2009 regarding the number of shares of common stock to be issued upon the exercise of outstanding stock options, the weighted average exercise price of outstanding stock options, and the number of stock options remaining available for future issuance is set forth in the table that follows.

EQUITY COMPENSATION PLAN INFORMATION  
DECEMBER 31, 2009

Plan category	Number of securities to be issued upon exercise of outstanding options warrants and rights (a)	Weighted-average exercise price of outstanding options warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a)) (c)
Equity compensation plans approved by security holders	496,719	\$19.71	268,670

The Corporation does not have any equity compensation plans that have not been approved by shareholders.

The table that follows sets forth information regarding the grant of plan based awards during 2009 and in January 2010 to the named executive officers. The awards were granted by the Board on January 20, 2009 and January 19, 2010 based on recommendations by the Compensation Committee. The awards included RSUs which are reflected in columns (c) and (d) and NQSOs which are reflected in column (e). The ability to convert the RSUs granted in January 2009 into shares of the Corporation's common stock and the related conversion ratio will be dependent on the Corporation's 2011 net income and ROA, with each being assigned a 50% weight. The ability to convert the RSUs granted in January 2010 into shares of the Corporation's common stock and the related conversion ratio will be dependent on the Corporation's 2012 net income and ROA, again with each being assigned a 50% weight. The NQSOs have an exercise price equal to the closing market price of the Corporation's common stock on the date of grant. Twenty percent (20%) of these options vest on each of the first five (5) anniversaries of the date of grant. Vesting accelerates and such options become fully exercisable in the event of death, total and permanent disability, or retirement. Total and permanent disability and retirement are as defined in the 2006 Stock Compensation Plan under which such options were granted and related award agreements. With respect to RSUs, column (g) reflects the grant date fair value of the target future payout which is being recognized as compensation cost, before the effect of estimated forfeitures, over the service period under FASB ASC Topic 718. The threshold payout is 50% of the target payout.



GRANT OF PLAN BASED AWARDS  
YEAR ENDED DECEMBER 31, 2009 AND JANUARY 2010

Name	Grant Date	Estimated Future Payouts Under Equity Incentive Plan Awards		All Other Option Awards: Number of Securities Under-lying Options	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards
		Threshold (#)	Target (#)			
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Michael N. Vittorio	1/20/09			10,807	\$22.42	\$84,175
Michael N. Vittorio	1/20/09	1,801	3,601			\$73,028
Michael N. Vittorio	1/19/10			8,276	\$25.07	\$75,585
Michael N. Vittorio	1/19/10	1,380	2,760			\$62,624
Sallyanne K. Ballweg	1/20/09			6,027	\$22.42	\$46,944
Sallyanne K. Ballweg	1/20/09	1,004	2,008			\$40,722
Sallyanne K. Ballweg	1/19/10			4,738	\$25.07	\$43,272
Sallyanne K. Ballweg	1/19/10	790	1,580			\$35,850
Mark D. Curtis	1/20/09			5,708	\$22.42	\$44,459
Mark D. Curtis	1/20/09	951	1,902			\$38,573
Mark D. Curtis	1/19/10			4,457	\$25.07	\$40,706
Mark D. Curtis	1/19/10	743	1,486			\$33,717
Donald M. Manfredonia	1/20/09			5,958	\$22.42	\$46,406
Donald M. Manfredonia	1/20/09	993	1,985			\$40,256
Donald M. Manfredonia	1/19/10			4,372	\$25.07	\$39,929
Donald M. Manfredonia	1/19/10	729	1,458			\$33,082
Richard Kick	1/20/09			5,653	\$22.42	\$44,031
Richard Kick	1/20/09	942	1,883			\$38,187
Richard Kick	1/19/10			4,313	\$25.07	\$39,391
Richard Kick	1/19/10	719	1,438			\$32,628

The table that follows sets forth information for the named executive officers for 2009 regarding stock options exercises and stock vested.

STOCK OPTION EXERCISES AND STOCK VESTED  
YEAR ENDED DECEMBER 31, 2009

Name (a)	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#) (b)	Value Realized on Exercise (\$) (c)	Shares Acquired on Vesting (#) (d)	Value Realized on Vesting (\$) (e)
Michael N. Vittorio	75	\$398		
Michael N. Vittorio	75	\$295		
Michael N. Vittorio	100	\$907		
Michael N. Vittorio	75	\$754		
Michael N. Vittorio	125	\$1,259		
Michael N. Vittorio	75	\$750		
Michael N. Vittorio	100	\$741		
Michael N. Vittorio			2,693	\$67,998
Sallyanne K. Ballweg	200	\$1,048		
Mark D. Curtis	100	\$933		
Mark D. Curtis	850	\$9,864		
Mark D. Curtis	600	\$6,762		
Mark D. Curtis	200	\$2,402		
Mark D. Curtis	734	\$9,292		
Mark D. Curtis	14	\$118		
Mark D. Curtis	60	\$452		
Mark D. Curtis	200	\$1,589		
Mark D. Curtis	60	\$618		
Mark D. Curtis			1,476	\$37,269
Donald M. Manfredonia	1,000	\$16,670		
Donald M. Manfredonia	1,800	\$30,258		
Donald M. Manfredonia	500	\$8,750		
Donald M. Manfredonia	1,500	\$23,055		
Donald M. Manfredonia	39	\$496		
Donald M. Manfredonia	4	\$52		
Donald M. Manfredonia			1,593	\$40,223
Richard Kick			1,461	\$36,890

The following two tables set forth information regarding outstanding equity awards for the named executive officers. Column (f) in the tables represents the target number of shares into which the RSUs can be converted and column (g) represents the value of such shares. For the equity awards shown for each individual, the threshold number of shares and value is 50% of the target number and value.



OUTSTANDING EQUITY AWARDS  
DECEMBER 31, 2009

Name (a)	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options # Exercisable (b)	Number of Securities Underlying Unexercised Options # Unexercisable (c)	Option Exercise Price (\$) (d)	Option Expiration Date (e)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (f)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) (g)
Michael N. Vittorio	2,209		\$16.56	1/20/13		
Michael N. Vittorio	4,602		\$23.95	1/19/14		
Michael N. Vittorio	7,408		\$22.77	1/17/15		
Michael N. Vittorio	4,338	2,898	\$20.83	6/30/16		
Michael N. Vittorio	2,344	3,518	\$21.81	1/17/17		
Michael N. Vittorio	2,501	10,006	\$18.50	1/21/18		
Michael N. Vittorio		10,807	\$22.42	1/19/19		
Michael N. Vittorio					7,772	\$196,243
Sallyanne K. Ballweg		800	\$18.50	1/21/18		
Sallyanne K. Ballweg		6,027	\$22.42	1/19/19		
Sallyanne K. Ballweg					2,008	\$50,702
Mark D. Curtis	4,278		\$16.56	1/20/13		
Mark D. Curtis	2,426		\$23.95	1/19/14		
Mark D. Curtis	4,138		\$22.77	1/17/15		
Mark D. Curtis	2,466	1,644	\$20.83	6/30/16		
Mark D. Curtis	948	1,424	\$21.81	1/17/17		
Mark D. Curtis	1,345	5,380	\$18.50	1/21/18		
Mark D. Curtis		5,708	\$22.42	1/19/19		
Mark D. Curtis					4,145	\$104,662

OUTSTANDING EQUITY AWARDS (cont'd)  
DECEMBER 31, 2009

Name (a)	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options # Exercisable (b)	Number of Securities Underlying Unexercised Options # Unexercisable (c)	Option Exercise Price (\$) (d)	Option Expiration Date (e)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (f)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) (g)
Donald M. Manfredonia	5,195		\$12.65	1/15/11		
Donald M. Manfredonia	5,248		\$12.98	3/19/11		
Donald M. Manfredonia	6,862		\$12.34	1/14/12		
Donald M. Manfredonia	5,788		\$16.56	1/20/13		
Donald M. Manfredonia	3,232		\$23.95	1/19/14		
Donald M. Manfredonia	4,634		\$22.77	1/17/15		
Donald M. Manfredonia	2,688	1,798	\$20.83	6/30/16		
Donald M. Manfredonia	1,024	1,536	\$21.81	1/17/17		
Donald M. Manfredonia	1,415	5,664	\$18.50	1/21/18		
Donald M. Manfredonia		5,958	\$22.42	1/19/19		
Donald M. Manfredonia					4,346	\$109,736
Richard Kick	4,582		\$16.56	1/20/13		
Richard Kick	2,392		\$23.95	1/19/14		
Richard Kick	4,090		\$22.77	1/17/15		
Richard Kick	2,436	1,630	\$20.83	6/30/16		
Richard Kick	936	1,412	\$21.81	1/17/17		
Richard Kick	1,331	5,327	\$18.50	1/21/18		
Richard Kick		5,653	\$22.42	1/19/19		
Richard Kick					4,104	\$103,626



The following table sets forth the vesting dates for the unexercisable options shown in column (c) of the two preceding tables.

VESTING DATE FOR UNEXERCISABLE OPTIONS  
DECEMBER 31, 2009

Name	Unexercisable Options				Options Vesting						
	#	#	Date	#	Date	#	Date	#	Date		
Michael N. Vittorio	2,898	1,446	6/30/10	1,452	6/30/11						
Michael N. Vittorio	3,518	1,172	1/17/10	1,172	1/17/11	1,174	1/17/12				
Michael N. Vittorio	10,006	2,501	1/21/10	2,501	1/21/11	2,501	1/21/12	2,503	1/21/13		
Michael N. Vittorio	10,807	2,161	1/19/10	2,161	1/19/11	2,161	1/19/12	2,161	1/19/13	2,163	1/19/14
Sallyanne K. Ballweg	800	200	1/21/10	200	1/21/11	200	1/21/12	200	1/21/13		
Sallyanne K. Ballweg	6,027	1,205	1/19/10	1,205	1/19/11	1,205	1/19/12	1,205	1/19/13	1,207	1/19/14
Mark D. Curtis	1,644	822	6/30/10	822	6/30/11						
Mark D. Curtis	1,424	474	1/17/10	474	1/17/11	476	1/17/12				
Mark D. Curtis	5,380	1,345	1/21/10	1,345	1/21/11	1,345	1/21/12	1,345	1/21/13		
Mark D. Curtis	5,708	1,141	1/19/10	1,141	1/19/11	1,141	1/19/12	1,141	1/19/13	1,144	1/19/14
Donald M. Manfredonia	1,798	896	6/30/10	902	6/30/11						
Donald M. Manfredonia	1,536	512	1/17/10	512	1/17/11	512	1/17/12				
Donald M. Manfredonia	5,664	1,416	1/21/10	1,416	1/21/11	1,416	1/21/12	1,416	1/21/13		
Donald M. Manfredonia	5,958	1,191	1/19/10	1,191	1/19/11	1,191	1/19/12	1,191	1/19/13	1,194	1/19/14
Richard Kick	1,630	812	6/30/10	818	6/30/11						
Richard Kick	1,412	468	1/17/10	468	1/17/11	476	1/17/12				
Richard Kick	5,327	1,331	1/21/10	1,331	1/21/11	1,331	1/21/12	1,334	1/21/13		
Richard Kick	5,653	1,130	1/19/10	1,130	1/19/11	1,130	1/19/12	1,130	1/19/13	1,133	1/19/14

EMPLOYMENT CONTRACTS

Messrs. Vittorio, Curtis, Grasso, Keeney, Kick, and Manfredonia and Ms. Ballweg (the “Executive Officers”) have employment contracts with the Corporation pursuant to which Mr. Vittorio is employed as President and CEO of the Corporation and the Bank, Ms. Ballweg is employed as Senior Executive Vice President of the Bank, Mr. Curtis is employed as Executive Vice President and Chief Financial Officer of the Bank, and Messrs. Grasso, Keeney, Kick, and Manfredonia are each employed as Executive Vice President of the Bank. In addition, each of these officers is also employed in such other positions with the Corporation or the Bank as may be determined by the Board of Directors of the Corporation or the Bank. Mr. Vittorio’s contract has a term of three (3) years effective January 1, 2010, Ms. Ballweg and Mr. Curtis each have a contract with a term of two (2) years effective January 1, 2010, Messrs. Keeney, Kick, and Manfredonia each have a contract with a term of eighteen (18) months effective January 1, 2010, and Mr. Grasso’s contract has a term of twelve (12) months effective January 1, 2010. Unless the Corporation provides written notice of non-extension within the time frame set forth in each contract, the term of each contract is automatically extended at the expiration of each year for an additional period of one year, thus resulting in a new three-year term for Mr. Vittorio, new two year terms for Ms. Ballweg and Mr. Curtis, new eighteen-month terms for Messrs. Keeney, Kick, and Manfredonia, and a new twelve-month term for Mr. Grasso. The contracts currently provide for base annual salaries of \$422,000 for Mr. Vittorio, \$241,000 for Ms. Ballweg, \$226,200 for Mr. Curtis, \$172,500 for Mr. Grasso, \$194,700 for Mr. Keeney, \$216,100 for Mr. Kick, and \$220,000 for Mr. Manfredonia.



Under these contracts the Executive Officers are entitled to severance compensation. Generally upon an involuntary termination of employment or upon a resignation of employment following a change in control, Mr. Vittorio is entitled to receive a single sum payment equal to three (3) times the base annual salary under his contract together with continued family medical and dental insurance coverage. Upon a resignation of employment for any reason during the period beginning on the thirty-first day and ending on the sixtieth day following a change of control, Ms. Ballweg and Messrs. Curtis, Grasso, Keeney, Kick, and Manfredonia are each entitled to receive a single sum payment equal to 66 2/3% of the Termination Payment under their contracts. The Termination Payment for Ms. Ballweg and Mr. Curtis is equal to two (2) times the base annual salary under their contracts and the termination payment for Mr. Manfredonia is equal to one and one-half (1.50) times the base annual salary under his contract. For Messrs. Keeney and Kick, the Termination Payment is equal to one and one-quarter (1.25) times the base annual salaries under their contracts and for Mr. Grasso the Termination Payment is equal to one (1.00) times the base annual salary under his contract. Upon an involuntary termination of employment, other than due to gross and substantial dishonesty, or a resignation of employment for Good Reason within twenty-four months following a change of control, Ms. Ballweg and Messrs. Curtis, Grasso, Keeney, Kick, and Manfredonia are entitled to receive a single sum payment equal to 100% of the Termination Payment under their contracts. In addition, these officers are also entitled to continued family medical and dental insurance coverage. Good Reason for resignation of employment by any of these named executive officers means the occurrence (without the officer's express written consent) of any one of the following acts or omissions to act by the Corporation or the Bank: (1) the assignment to the officer of any duties materially inconsistent with the nature and status of the officer's responsibilities immediately prior to a Change of Control Event, or a substantial adverse alteration in the nature or status of the officer's responsibilities from those in effect immediately prior to the Change of Control Event; provided, however, that a redesignation of the officer's title shall not in and of itself constitute Good Reason if the officer's overall duties and status within the Corporation and the Bank are not substantially adversely affected; or (2) the failure by the Corporation or the Bank to pay the officer any portion of the officer's current compensation, or to pay the officer any portion of an installment of a deferred compensation amount under any deferred compensation program, within fourteen (14) days of the date such compensation is due.

Each of the executive officers has agreed, to the extent and under the conditions set forth in the contract with such executive officer, to refrain from soliciting the business of customers of the Bank subsequent to termination of the employment relationship between the Corporation and the executive officer. In that regard, each contract provides that the executive officer will not on behalf of any banking organization or lender doing business in New York City or in the counties of Nassau or Suffolk, directly or indirectly solicit business of any person or entity which shall be a customer of the Bank on the date of such termination or facilitate or assist in the development of any business relationship between any such banking organization or lender and any such customer or either directly or indirectly or on behalf of any such banking organization or lender, employ, retain, or solicit the employment or retention of any person who shall be an employee of the Bank on the date of such termination. Each of the executive officers have also agreed, without limitation as to time, to keep secret and retain in confidence all confidential matters of the Corporation or the Bank, whether developed by the Corporation, the Bank or the executive officer, including without limitation know how, trade secrets, customer lists, pricing policies, and operational methods, and not to disclose them to anyone outside the Corporation or the Bank except in the course of performing their duties under their employment contracts or with the express written consent of the Corporation.

The following table sets forth potential payments upon termination or change in control for the named executive officers.

POTENTIAL LUMP SUM PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL  
DECEMBER 31, 2009

Name	Termination By Bank	Termination Payment Due To:		
		Resignation For Good Reason	Following Change In Control For Any Reason	Family Medical & Dental Insurance
Michael N. Vittorio	\$1,266,000	\$1,266,000	\$1,266,000	\$75,697
Sallyanne K. Ballweg	\$482,000	\$482,000	\$321,333	\$50,465
Mark D. Curtis	\$452,400	\$452,400	\$301,600	\$50,465
Donald M. Manfredonia	\$330,000	\$330,000	\$220,000	\$37,849
Richard Kick	\$270,125	\$270,125	\$180,083	\$37,849

TRANSACTIONS WITH MANAGEMENT AND OTHERS

The Corporation's Corporate Governance Guidelines require the Board of Directors to conduct an appropriate review of all related party transactions for potential conflict of interest situations. Related party transactions are those required to be disclosed pursuant to Item 404 of Regulation S-K. The Governance and Nominating Committee is charged with the responsibility of reviewing and assessing the adequacy of and compliance with the Corporation's Corporate Governance Guidelines and recommending any proposed changes to the Board for approval.

In 1992, the Bank, as tenant, entered into a lease with Howard Thomas Hogan Jr., a director of the Corporation and the Bank, covering premises in a building located in Locust Valley, New York, used as a branch office. The lease expires on October 31, 2012 and provides for annual base rent of \$32,983 for the year ending October 31, 2010. In addition to base rent, the Bank is responsible for its proportionate share of the real estate taxes on the building in which the leased premises are located. In addition, in 2009, the Bank, as tenant, entered into a lease with Howard Thomas Hogan Jr. covering premises in a building located in Cold Spring Harbor, New York to be used as a branch office. The lease expires on December 31, 2019 and provides for annual rent of \$33,014 for the year ending September 30, 2010. The Corporation believes that the foregoing is comparable to the rents that would be charged by an unrelated third party.

The Bank has had, and expects to have in the future, banking transactions in the ordinary course of its business with directors, officers, principal stockholders of the Corporation and their associates. Such transactions, including borrowings and loan commitments, were made in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with others, and in the opinion of management do not involve more than a normal risk of collectibility, nor do they present other unfavorable features.

Certain directors are officers, directors, partners or stockholders of companies or partnerships which, or associates of which, may have been customers of the Bank in the ordinary course of business during 2009 and up to the present time. Additional transactions of this type may occur in the future. All such transactions were effected on substantially the same terms as comparable transactions with other persons.

## INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

None of the Company's directors or executive officers have been involved in any legal proceedings during the past ten years of the type described in paragraph (f) of Item 401 of Regulation S-K that are material to an evaluation of their ability or integrity.

## AUDIT COMMITTEE REPORT

The Audit Committee has reviewed and discussed the Corporation's audited consolidated financial statements as of and for the year ended December 31, 2009 with management.

The Audit Committee has discussed with Crowe Horwath LLP ("Crowe Horwath") the matters required to be discussed by Statement of 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.

The Audit Committee has received the written disclosures and the letter from Crowe Horwath required by applicable requirements of the Public Company Accounting Oversight Board regarding Crowe Horwath's communications with the Audit Committee concerning independence, and has discussed with Crowe Horwath their independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements referred to above be included in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2009 for filing with the Commission.

Allen E. Busching  
Alexander L. Cover  
John T. Lane

J. Douglas Maxwell Jr.  
Walter C. Teagle III

The preceding report shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933 (the "1933 Act") or the Securities Act of 1934 (the "1934 Act"), except to the extent the Corporation specifically incorporates this information by reference, and shall not otherwise be deemed filed under the 1933 Act or the 1934 Act.

## INDEPENDENT AUDITORS

The consolidated financial statements of the Corporation for the year ended December 31, 2009 were audited by Crowe Horwath. The Audit Committee has reappointed Crowe Horwath as the Corporation's independent registered public accounting firm to audit the Corporation's consolidated financial statements for the year ending December 31, 2010. A resolution will be presented at the Annual Meeting of Stockholders to ratify the reappointment of Crowe Horwath. The affirmative vote of the holders of a majority of shares represented in person or by proxy and entitled to vote on this item will be required for ratification. If there is no designation on any proxy as to how the shares represented should be voted, the proxy will be voted for the ratification. If the stockholders do not ratify the reappointment of Crowe Horwath, the selection of the independent registered public accounting firm will be reconsidered by the Audit Committee.

A representative of Crowe Horwath will be present at the Annual Meeting of Stockholders and will have the opportunity to make a statement and respond to appropriate questions from stockholders.



The Board of Directors recommends that the stockholders vote FOR ratification of the reappointment of Crowe Horwath as the Corporation's independent auditors.

#### Audit Fees

Crowe Horwath's fees for audit services for 2009 and 2008 were \$192,750 and \$189,000, respectively. Audit services include the following: (1) professional services rendered for the audit of the Corporation's annual consolidated financial statements; (2) reviews of the consolidated financial statements included in the Corporation's quarterly Form 10-Q; (3) a reading of the Corporation's annual report on Form 10-K; and (4) rendering an opinion on the effectiveness of the Corporation's internal control over financial reporting.

#### Audit Related Fees

Audit related fees, as described in Item 9(e)(2) of Schedule 14A of the Securities and Exchange Commission's Proxy Rules, are fees billed to the Corporation by its independent auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's consolidated financial statements and are not audit fees as described in the previous paragraph. The Corporation was not billed by Crowe Horwath in 2009 or 2008 for any audit related fees.

#### Tax Fees

Crowe Horwath's fees for preparing the Corporation's 2009 and 2008 tax returns and performing tax compliance work were \$35,320 and \$47,190, respectively.

#### All Other Fees

In neither of the last two fiscal years was the Corporation billed by Crowe Horwath for any fees other than those described above under the captions "Audit Fees" and "Tax Fees."

#### Audit Committee Approval of Audit Related, Tax and Other Fees

In 2009 and 2008, the Audit Committee specifically approved or pre-approved all fees reported under the section "Tax Fees".

#### Engagement of Independent Auditors to Perform Audit Services and Non-Audit Services

On an annual basis, and in accordance with the terms of written engagement letters, the Audit Committee engages the Corporation's independent auditors to perform audit services as previously defined and to prepare the Corporation's income tax returns.

In addition, from time to time the Audit Committee may engage the Corporation's independent auditors to perform non-audit services such as providing tax advice and performing tax compliance work. The Audit Committee has pre-approved specific types of non-audit services provided that the cost of such services does not exceed \$50,000 in any calendar year. The Audit Committee will not engage the independent auditors to perform any non-audit service or pre-approve any non-audit service that could impair, in fact or appearance, the independence of the independent auditors. In addition, the Audit Committee will not pre-approve any non-audit service if such pre-approval constitutes delegation to management of the Audit Committee's responsibilities under the Securities Exchange Act of 1934. Prohibited non-audit services include those in which the independent auditors would be auditing their own work, functioning as a part of management or as an employee, acting as an advocate of the Corporation, or promoting

the Corporation's stock or financial interests. Other prohibited non-audit services include bookkeeping or other services related to the accounting records or financial statements of the Corporation; financial information systems design and implementation; appraisal or valuation services, fairness opinions, contribution-in-kind reports; actuarial services; internal audit outsourcing services; performing management or human resources functions; acting as a broker/dealer for the Corporation, investment adviser or investment banker; legal services; and, expert services unrelated to the audit.



#### OTHER MATTERS

The Board of Directors of the Corporation does not know of any matters for action by stockholders at the annual meeting other than the matters described in the Notice of Annual Meeting. However, the enclosed Proxy will confer discretionary authority with respect to matters which are not known to the Board of Directors at the time of the printing hereof and which may properly come before the meeting. It is the intention of the persons named in the Proxy to vote such Proxy with respect to such matters in accordance with their best judgment.

The entire expense of preparing, assembling and mailing the enclosed material will be borne by the Corporation. In addition to using the mails, directors, officers and employees of the Bank acting on behalf of the Corporation, and without extra compensation, may solicit proxies in person, by telephone or by facsimile.

#### STOCKHOLDER PROPOSALS

Any proposals of stockholders intended to be submitted at the 2011 Annual Meeting of Stockholders must be received by the Chairman of the Board or the President no later than November 17, 2010 in order to be considered for inclusion in the proxy statement and form of proxy for such meeting. If the Corporation is not notified of a stockholder proposal by February 2, 2011, then the proxies held by management of the Corporation may provide the discretion to vote against such stockholder proposal, even though such proposal is not included in the proxy statement and form of proxy. Pursuant to Exchange Act Rule 14a-8(i)(8), the Corporation may exclude from its Proxy Statement any shareholder proposal relating to the election of directors that would result in an immediate election contest or would set up a process for shareholders to conduct an election contest in the future.

#### SECURITY HOLDER COMMUNICATIONS TO THE BOARD OF DIRECTORS

The Corporation's Board of Directors does not have a formal process for security holders to send communications to the Board of Directors. The Board believes that a formal process is unnecessary because the Corporation is relatively small and both the Non-Executive Chairman of the Board and the President and CEO, who is also a director, are easily accessible by telephone and mail.

#### INTERNET AVAILABILITY OF PROXY MATERIALS

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on  
April 20, 2010

The Company's proxy statement and form of proxy for its 2010 Annual Meeting of Stockholders and its 2009 annual report to security holders is available at <http://www.cfpproxy.com/4667>.

For driving directions to The Carltun, the location of the annual meeting, please go to <http://thecarltun.com/?page=contact&menu=dir>.

#### BOARD MEMBER ATTENDANCE AT ANNUAL MEETINGS

The Board of Directors strongly encourages each of its members to attend the Annual Meeting of Stockholders. In this regard, the Board of Directors sets the date for the Annual Meeting of Stockholders to coincide with the April meeting of the Board of Directors. All directors attended the prior year's Annual Meeting of Stockholders, which was held on April 20, 2009.

#### ANNUAL REPORTS TO STOCKHOLDERS

Consolidated financial statements for the Corporation and the Bank are included in the Corporation's 2009 Annual Report to Stockholders, which was mailed with this Proxy Statement. In addition, copies of the 2009 Annual Report or the annual report on Form 10-K as filed with the Securities and Exchange Commission for 2009 will be sent to any stockholder upon written request without charge. Such request should be directed to Wayne B. Drake, Assistant Treasurer, at the Corporation's principal office, 10 Glen Head Road, Glen Head, New York, 11545. The consolidated financial statements contained in the Corporation's 2009 Annual Report are not part of this Proxy Statement.

By Order of the Board of Directors

Sallyanne K. Ballweg  
Senior Vice President and Secretary

March 19, 2010

REVOCABLE PROXY  
THE FIRST OF LONG ISLAND CORPORATION

PLEASE  
MARK  
x VOTES  
AS IN THIS  
EXAMPLE

ANNUAL MEETING OF STOCKHOLDERS  
APRIL 20, 2010

KNOW ALL PERSONS BY THESE PRESENTS that I, the undersigned, being a stockholder of THE FIRST OF LONG ISLAND CORPORATION, GLEN HEAD, NEW YORK, do hereby constitute and appoint JOHN H. TREIBER AND BERNARD ESQUENET or either one of them (with full power to act alone), my true and lawful attorney(s), with full power of substitution, to attend the Annual Meeting of Stockholders of said Corporation, to be held at THE CARLTUN, EISENHOWER PARK, EAST MEADOW, NEW YORK, on Tuesday, April 20, 2010, at 3:30 P.M. local time, or any and all adjournments thereof, and to vote all stock owned by me or standing in my name, place and stead on the proposals of the Board of Directors specified in the Notice of Meeting dated March 19, 2010, with all powers I would possess if I were personally present, hereby ratifying and confirming all that my said Proxy or Proxies may do, in my name, place and stead, as follows:

	For	With- hold	For All Except
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1. Election of Directors  
To elect five (5) Class II Directors, each  
for a term of two (2) years

ALLEN E. BUSCHING  
PAUL T. CANARICK  
ALEXANDER L. COVER  
J. DOUGLAS MAXWELL JR.  
STEPHEN V. MURPHY

INSTRUCTION: To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the name(s) of any such nominee(s) in the space provided below.

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	For	Against	Abstain
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2. To ratify the reappointment of Crowe Horwath LLP as the Corporation's independent registered public accounting firm for 2010.

3. Other Matters: If any other business is presented at said meeting, this Proxy shall be voted in accordance with the

best judgment of the Proxies.

IF NO DESIGNATIONS ARE MADE IN THE BOXES PROVIDED ABOVE AS TO A PROPOSAL, THIS PROXY WILL BE VOTED "FOR" SUCH PROPOSAL.

The shares represented by a properly executed Proxy will be voted as directed.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS. IT MAY BE REVOKED PRIOR TO ITS EXERCISE.

ALL JOINT OWNERS MUST SIGN INDIVIDUALLY. WHEN SIGNING AS ATTORNEY, EXECUTOR, ADMINISTRATOR, TRUSTEE, GUARDIAN OR CUSTODIAN, PLEASE GIVE FULL TITLE. IF MORE THAN ONE FIDUCIARY, ALL SHOULD SIGN.

Please be sure to sign and date this Proxy in the box below.

Date

Stockholder sign above

Co-holder (if any) sign above

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Detach above card, sign, date and mail in postage paid envelope provided.

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THE FIRST OF LONG ISLAND CORPORATION

PLEASE ACT PROMPTLY  
SIGN, DATE & MAIL YOUR PROXY CARD TODAY

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