

FLUSHING FINANCIAL CORP
Form DEF 14A
April 08, 2015
Table of Contents

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

SCHEDULE 14A
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

Flushing Financial Corporation

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

FLUSHING FINANCIAL CORPORATION

1979 Marcus Avenue, Suite E140

Lake Success, New York 11042

(718) 961-5400

April 8, 2015

Dear Stockholder:

You are cordially invited to attend the annual meeting of stockholders of Flushing Financial Corporation. The annual meeting will be held at the RXR Plaza Conference Center located at 625 RXR Plaza, Lobby Level, Uniondale, New York 11556, on May 19, 2015 at 2:00 p.m., New York time. The matters to be considered by stockholders at the annual meeting are described in the accompanying materials.

It is very important that you be represented at the annual meeting regardless of the number of shares you own. Whether or not you plan to attend the meeting in person, we urge you to vote as soon as possible. You may vote over the Internet, by telephone, or by signing, dating, and returning a proxy card. Voting over the Internet, by telephone or by written proxy will not prevent you from voting in person, but will ensure that your vote is counted if you are unable to attend. Please review the instructions on the Important Notice Regarding the Availability of Proxy Materials or proxy card regarding each of these voting options.

Your continued support of and interest in Flushing Financial Corporation are sincerely appreciated.

Sincerely,

John E. Roe, Sr.
Chairman of the Board

John R. Buran
President and Chief Executive Officer

Table of Contents

FLUSHING FINANCIAL CORPORATION

1979 Marcus Avenue, Suite E140

Lake Success, New York 11042

(718) 961-5400

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

DATE & TIME: May 19, 2015 at 2:00 p.m. New York time

PLACE: RXR Plaza Conference Center
625 RXR Plaza, Lobby Level
Uniondale, New York 11556

ITEMS OF BUSINESS: To elect four directors for a three-year term and until their successors are elected and qualified;
To approve, on an advisory basis, the Company's executive compensation;

To ratify the appointment of BDO USA, LLP by the Audit Committee of the Board of Directors as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015; and

To transact such other business as may properly come before the meeting or any adjournment thereof.

RECORD DATE: You are entitled to vote at the annual meeting or any adjournment of that meeting only if you were a stockholder at the close of business on Friday, March 27, 2015.

VOTING BY PROXY: Please submit a proxy as soon as possible so that your shares can be voted at the meeting in accordance with your instructions. You may submit your proxy (1) over the Internet, (2) by telephone, or (3) by mail. For specific instructions, please refer to the information in the proxy statement and the instructions on the Important Notice Regarding Availability of Proxy Materials or proxy card.

BY ORDER OF THE BOARD OF DIRECTORS,

Maria A. Grasso

Corporate Secretary

Lake Success, New York

April 8, 2015

Table of Contents

FLUSHING FINANCIAL CORPORATION

1979 Marcus Avenue, Suite E140

Lake Success, New York 11042

(718) 961-5400

PROXY STATEMENT

Annual Meeting of Stockholders

To be held on May 19, 2015

TABLE OF CONTENTS

<u>INTRODUCTION</u>	1
<u>VOTING AND PROXIES</u>	1
<u>Voting Rights and Quorum Requirement</u>	1
<u>Voting over the Internet or by Telephone</u>	1
<u>Effect of Proxy</u>	1
<u>Revoking a Proxy</u>	2
<u>Votes Required for Approval</u>	2
<u>Cost of Solicitation of Proxies</u>	2
<u>Internet Availability of Proxy Materials</u>	2
<u>PROPOSAL NO. 1 ELECTION OF DIRECTORS</u>	3
<u>Information About Directors</u>	4
<u>Board Nominees</u>	4
<u>Continuing Directors</u>	5
<u>Executive Officers Who Are Not Directors</u>	7
<u>CORPORATE GOVERNANCE</u>	10
<u>Independence of Directors</u>	10
<u>Meetings and Committees of the Board of Directors</u>	10
<u>Election of Directors by Majority Voting Standard</u>	11
<u>Director Nominations</u>	11
<u>Board Leadership Structure</u>	12
<u>Risk Management</u>	12
<u>Transactions with Related Persons, Promoters and Certain Control Persons</u>	13
<u>Stockholder Communications with the Board of Directors</u>	13
<u>Code of Business Conduct and Ethics</u>	14
<u>Compensation Committee Interlocks and Insider Participation</u>	14
<u>Role of Executive Officers in Compensation Decisions</u>	14
<u>Determining Executive Compensation and the Role of the Consultant</u>	15
<u>DIRECTOR COMPENSATION</u>	16

<u>Cash Compensation</u>	16
<u>Equity Compensation</u>	16
<u>Director Retirement Plan</u>	17
<u>Deferred Compensation Program for Outside Directors</u>	17
<u>Indemnity Agreements</u>	17
<u>Director Compensation Table</u>	18
<u>EXECUTIVE COMPENSATION</u>	19
<u>Compensation Discussion and Analysis</u>	19
<u>Compensation Committee Report</u>	34
<u>Summary Compensation Table</u>	35
<u>Grants of Plan Based Awards in 2014</u>	36
<u>Outstanding Equity Awards at 2014 Fiscal Year-End</u>	37
<u>Option Exercises and Stock Vested in 2014</u>	38

Table of Contents

<u>Pension Benefits</u>	38
<u>Nonqualified Deferred Compensation</u>	39
<u>Nonqualified Deferred Compensation Table</u>	40
<u>Potential Payments Upon Termination or Change of Control</u>	41
<u>Potential Payments Upon Termination of Employment</u>	41
<u>Employment Agreements</u>	42
<u>Equity Awards</u>	44
<u>Change of Control Arrangements</u>	44
<u>Risk Assessment of Non-Executive Compensation Plans</u>	44
<u>Risk Assessment</u>	45
<u>PROPOSAL NO. 2 ADVISORY APPROVAL OF EXECUTIVE COMPENSATION</u>	46
<u>AUDIT COMMITTEE MATTERS</u>	47
<u>Report of the Audit Committee</u>	47
<u>Audit Committee Financial Expert</u>	48
<u>Fees Paid to Independent Registered Public Accounting Firm</u>	48
<u>Changes in Certifying Accountant</u>	48
<u>PROPOSAL NO. 3 RATIFICATION OF THE APPOINTMENT OF BDO USA, LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2015</u>	49
<u>STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	50
<u>Stock Ownership of Certain Beneficial Owners</u>	50
<u>Stock Ownership of Management</u>	51
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	52
<u>OTHER MATTERS THAT MAY PROPERLY COME BEFORE THE ANNUAL MEETING</u>	53
<u>STOCKHOLDER PROPOSALS FOR 2016 ANNUAL MEETING</u>	53
<u>MISCELLANEOUS</u>	54
<u>APPENDIX A: AUDIT COMMITTEE CHARTER</u>	A-1

Table of Contents

INTRODUCTION

This proxy statement is furnished to holders of common stock, \$0.01 par value per share, of Flushing Financial Corporation (the Company), which is the sole stockholder of Flushing Bank. In this proxy statement we use the term the Bank to mean Flushing Bank and its predecessors, including Flushing Savings Bank, FSB through February 28, 2013. Proxies are being solicited on behalf of the Board of Directors of the Company (the Board of Directors or Board) to be used at the annual meeting of stockholders to be held at the RXR Plaza Conference Center located at 625 RXR Plaza, Lobby Level, Uniondale, New York, 11556 at 2:00 p.m., New York time, on May 19, 2015 and at any adjournment thereof. Only holders of record of the Company's issued and outstanding common stock as of the close of business on the record date, March 27, 2015, are entitled to notice of and to vote at the annual meeting and any adjournments thereof. This year, like last year, we are not mailing the proxy statement and related materials to all stockholders. Instead, the proxy statement, the accompanying notice of annual meeting of stockholders, the form of proxy, and the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 can be accessed over the Internet. Printed proxy materials will be mailed to stockholders only upon request. All persons who are entitled to vote at the annual meeting will receive in the mail (or by email, if they have agreed to delivery in such manner) an Important Notice Regarding the Availability of Proxy Materials that tells how to access our proxy materials. We will begin distributing the Important Notice Regarding the Availability of Proxy Materials on or about April 8, 2015.

VOTING AND PROXIES

Voting Rights and Quorum Requirement

Stockholders of record as of the close of business on March 27, 2015, the record date, are entitled to one vote for each share of common stock then held. On the record date, there were 29,407,259 shares of common stock outstanding and entitled to be voted and the Company had no other class of equity securities outstanding. Holders of a majority of the outstanding shares of common stock must be present at the annual meeting, either in person or represented by proxy, to constitute a quorum for the conduct of business. In order to ensure a quorum, you are requested to vote by proxy even if you plan to attend the annual meeting in person. You may vote over the Internet, by telephone, or by signing, dating, and returning a proxy card.

Voting over the Internet or by Telephone

If your shares are registered in your name with our transfer agent, you may vote either over the Internet or by telephone. Specific instructions for voting over the Internet or by telephone are set forth on the Important Notice Regarding the Availability of Proxy Materials. These procedures are designed to authenticate each stockholder's identity and to allow stockholders to vote their shares and confirm that their instructions have been properly recorded.

If your shares are registered in the name of a bank or brokerage firm, you may also be able to vote your shares over the Internet or by telephone. A large number of banks and brokerage firms are participating in online programs that allow eligible stockholders to vote over the Internet or by telephone. If your bank or brokerage firm is participating in such a program, your voting form will provide instructions. If your voting form does not contain Internet or telephone voting information, please complete and return the paper proxy card in the self-addressed, postage-paid envelope provided by your bank or brokerage firm.

Effect of Proxy

The proxy solicited by this proxy statement, if properly signed and received by the Company in time for the annual meeting, or properly transmitted by telephone or the Internet, and not revoked prior to its use, will be voted in accordance with the instructions it contains. If you return or transmit a proxy without specifying your voting instructions, the proxy will be voted FOR election of the nominees for director described herein, FOR the

Table of Contents

advisory approval of the Company's executive compensation, and FOR ratification of the selection of BDO USA, LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015. With respect to the transaction of such other business as may properly come before the meeting, each proxy received will be voted in accordance with the best judgment of the persons appointed as proxies. At this time, the Board of Directors knows of no such other business.

Revoking a Proxy

If you give a proxy, you may revoke it at any time before it is voted by (1) filing written notice of revocation with the Corporate Secretary of the Company (Corporate Secretary, Flushing Financial Corporation, 1979 Marcus Avenue, Suite E140, Lake Success, New York 11042); (2) submitting a duly executed proxy bearing a later date; or (3) appearing at the annual meeting and giving the Corporate Secretary notice of your intention to vote in person.

Votes Required for Approval

You may either vote for, against, or abstain on each of the proposals. The election of each director nominee and the approval of each other proposal requires the affirmative vote of a majority of the votes cast (whether in person or represented by proxy), assuming a quorum is present at the meeting. A majority of votes cast means that the number of shares voted for a proposal exceeds the number of shares voted against that proposal.

Abstentions and broker non-votes (votes withheld by brokers in the absence of instructions from street name holders) are considered present for purposes of determining the presence of a quorum. Abstentions and broker non-votes are not votes cast on a proposal, so they will have no effect on the outcome of any proposal. A broker non-vote occurs when you fail to provide your bank or broker with voting instructions and the bank or broker does not have the discretionary authority to vote your shares on a particular proposal under the New York Stock Exchange rules. Banks and brokers have discretionary authority to vote shares held in street name with respect to the ratification of the appointment of the independent registered public accounting firm, but not on election of directors or the advisory approval of the Company's executive compensation.

Cost of Solicitation of Proxies

The cost of solicitation of proxies will be borne by the Company. In addition to the solicitation of proxies by mail, Morrow & Co., LLC, a proxy soliciting firm, will assist the Company in soliciting proxies for the annual meeting and will be paid a fee of \$7,500, plus reimbursement for out-of-pocket expenses. Proxies also may be solicited personally or by telephone or telecopy by directors, officers and employees of the Company or the Bank, without additional compensation to these individuals. The Company will also request persons, firms and corporations holding shares in their names, or in the name of their nominees, which are beneficially owned by others, to send proxy materials to and obtain proxies from such beneficial owners, and will reimburse such holders for reasonable expenses incurred in connection therewith.

Internet Availability of Proxy Materials

The Company's proxy statement and annual report to stockholders for the year ended December 31, 2014 are available at <https://materials.proxyvote.com/343873>.

Table of Contents

PROPOSAL NO. 1

ELECTION OF DIRECTORS

The Board of Directors of the Company currently consists of 12 directors divided into three classes, each comprised of four directors. The directors hold office for staggered terms of three years (and until their successors are elected and qualified). One of the three classes is elected each year to succeed the directors whose terms are expiring. The directors in Classes C and A are serving terms expiring at the annual meeting of stockholders in 2016 and 2017, respectively.

The directors in Class B, whose terms expire at the 2015 annual meeting, are Steven J. D. Iorio, Louis C. Grassi, Sam S. Han, and John E. Roe, Sr. Each of these directors has been nominated by the Board of Directors, upon the recommendation of its Nominating and Governance Committee, to stand for election for a term expiring at the annual meeting of stockholders to be held in 2018. Each of these nominees has consented to being named in this proxy statement as a Board nominee and to serve if elected.

Unless otherwise instructed, it is the intention of the proxy holders to vote the proxies received by them in response to this solicitation FOR the election of the nominees named above as directors. If any such nominee should refuse or be unable to serve, the proxies will be voted for such person as shall be designated by the Board of Directors to replace such nominee. The Board of Directors has no reason to believe that any of the Board nominees will refuse or be unable to serve as a director if elected.

Because this election is uncontested, directors are elected by a majority of the votes cast for or against the nominee at the annual meeting, in person or represented by proxy. Votes may be cast for or against each nominee, or a shareholder may abstain from voting for one or more nominees. Pursuant to applicable Delaware law and our by-laws, abstentions and broker non-votes will have no effect on the outcome of the vote.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE

FOR ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.

Table of Contents**Information About Directors**

The following table sets forth certain information regarding the Board nominees and members of the Board of Directors of the Company.

Name	Age ⁽¹⁾	Position(s) with the Company	Director Since ⁽²⁾	Term Expires
John E. Roe, Sr.	81	Chairman of the Board	1968	2015 ⁽⁴⁾
John R. Buran	65	President, Chief Executive Officer and Director	2003	2016
James D. Bennett	76	Director	1998	2016
Alfred A. DelliBovi ⁽³⁾	68	Director	2014	2016
Steven J. D Iorio	65	Director	2004	2015 ⁽⁴⁾
Louis C. Grassi	59	Director	1998	2015 ⁽⁴⁾
Thomas S. Gulotta	70	Director	2013	2016
Sam S. Han	61	Director	2007	2015 ⁽⁴⁾
Michael J. Hegarty	75	Director	1987	2017
John J. McCabe	71	Director	2003	2017
Donna M. O'Brien	59	Director	2004	2017
Michael J. Russo	80	Director	1984	2017

(1) As of December 31, 2014.

(2) Where a director's period of service relates to a period prior to May 9, 1994, the date of the Company's incorporation, the period specified relates to the date the individual commenced service as director or trustee of the Bank or its predecessor.

(3) Mr. DelliBovi became a director of the Company and the Bank on July 1, 2014.

(4) Nominee for re-election at the 2015 annual meeting for a term expiring in 2018.

Set forth below is certain information with respect to the nominees and other directors of the Company. Unless otherwise indicated, the principal occupation listed below for each person has been his or her principal occupation for the past five years. In addition, described below are each director's particular experiences, qualifications, attributes or skills that contributed to the Board's conclusion that the person should continue to serve as a director of the Company.

Board Nominees

John E. Roe, Sr. has been Chairman of the Board of Directors of the Company and the Bank since February 16, 2011. He has been a member of the Board of Directors of the Company since its formation in 1994 and the Bank since 1968. Mr. Roe is a retired Captain of the United States Navy Reserve and was appointed Rear Admiral of the New York State Naval Militia by the Governor of New York. He is a former Trustee of Eastern Long Island Hospital and Flushing Hospital Medical Center where he served as Chairman for 10 years. He is a former director of the Queens Chamber of Commerce. He is retired Chairman of the Board of City Underwriting Agency, Inc., an insurance brokerage.

Mr. Roe's experience in the insurance industry in general and the Company's risk profile in particular in the Company's industry and regional market make him a valuable member of our Board of Directors.

Steven J. D Iorio is Senior Project Manager for Jones Lang LaSalle, managing on behalf of MSG the Transformation of Madison Square Garden. Mr. D Iorio has over 41 years of real estate construction and development experience. Mr. D Iorio has held senior management positions with Time Warner, Inc., National Westminster Bank, Jones Lang Wootton, and Olympia & York.

Mr. D Iorio's knowledge of and business experience of the real estate market in which the Company operates, in light of the importance to the Company of real estate as loan collateral and the retail nature of its branches, makes Mr. D Iorio a valuable member of our Board of Directors.

Table of Contents

Louis C. Grassi is Managing Partner and Chief Executive Officer of Grassi & Co., located in Jericho and New York City, with a practice in accounting, tax, technology and management consulting services. He is a licensed Certified Public Accountant and Certified Fraud Examiner, an author and an editor of a national tax and accounting publication. Mr. Grassi is a member of the Board of Directors of BRT Realty Trust. Mr. Grassi is board chair of Moore Stephens North America a network of accounting and consulting firms.

Mr. Grassi's accounting, tax and management expertise, including in particular his experience as a fraud examiner and his general understanding of controls, as well as his firm leadership background, make Mr. Grassi a valuable member of our Board of Directors.

Sam S. Han is President and Founder of The Korean Channel, Inc. and has over 27 years of business experience within the broadcast media industry. Mr. Han started the first Korean-American cable TV station in 1985, which is today the premiere 24 hour Korean broadcasting company servicing the Greater Tri-State area on Time Warner and Cablevision. Mr. Han serves as a member of the Board of Trustees of Flushing Hospital Medical Center. He was an advisor and member of the Board of Flushing Town Hall from 1998 to 2008.

Mr. Han's successful business background and his strong personal and professional connection to the markets served by the Company, coupled with his long-time work in the Korean-American communities served by the Company, add to our diversity and make him a valuable member of our Board of Directors.

Continuing Directors

James D. Bennett is of counsel with the law firm of Farrell, Fritz, P.C. in Uniondale, New York, with a practice in civil law and real estate. He also serves as Chief Executive Officer of Land Enterprises, Inc., a realty investment and management firm. Prior to July 2001, Mr. Bennett was a partner in the realty law firm of Bennett, Rice & Schure, LLP in Rockville Centre, New York. In the past, he has served as a Trustee of both the Long Island Power Authority and the New York State Conservation Fund Advisory Council, as Supervisor and a Councilman of the Town of Hempstead, and as a Commissioner of the New York State Public Service Commission.

Mr. Bennett's legal background, including in particular his extensive knowledge and experience as a real estate lawyer practicing in the Company's marketplace, in light of the importance to the Company of real estate as loan collateral and the retail nature of its branches, makes Mr. Bennett a valuable member of our Board of Directors.

John R. Buran is President and Chief Executive Officer and a Director of the Company and the Bank. He has served as President and Chief Executive Officer of the Company and the Bank since July 2005. He has been a Director of the Company and the Bank since 2003. Prior to that, he served as Executive Vice President and Chief Operating Officer of the Company and the Bank from January 2001 until June 2005. Prior to joining the Company, Mr. Buran held a variety of positions within the Banking industry, including Executive Vice President of the New York Metro Division of Fleet Bank and Vice President New York Investment Sales at Citibank. He is a former Chairman of the Board of the New York Bankers Association. He currently serves on the Board of The Federal Home Loan Bank of New York where he chairs the Risk Committee. He is also a member of the Federal Reserve Bank of New York's Community Depository Institutions Advisory Council. He is a Director of the Nassau County Interim Finance Authority appointed by Governor Andrew Cuomo in 2012.

Mr. Buran's experience with the Company and his career-long experience in the Banking industry, including at some of the nation's largest banks, his community and other activities connecting him to the Company's marketplace and his extensive knowledge of Banking regulations and other matters as applicable specifically to the Company, make him a valuable member of our Board of Directors. In addition, Mr. Buran's leadership during recent adverse macro-economic circumstances especially qualifies him as a Board member to meet future such challenges.

Table of Contents

Alfred A. DelliBovi served as President and Chief Executive Officer of the Federal Home Loan Bank of New York (FHLBNY) until his retirement in April 2014. During his 21 years at the helm of the FHLBNY, he led a team of financial professionals growing the bank ten-fold to \$120 billion in assets. The FHLBNY is a wholesale bank that provides liquidity to 330 neighborhood-based lenders in New Jersey, New York, Puerto Rico, and the U.S. Virgin Islands. In December 2011, Mr. DelliBovi was named to the Housing Commission of the Bipartisan Policy Center in Washington, D.C. He served as a Board Member of the Regional Plan Association and of the Pentegra Defined Benefit Plan for Financial Institutions and Vice Chair of the Board of Pentegra Defined Contribution Plan for Financial Institutions.

Mr. DelliBovi's extensive knowledge of and business experience in the banking industry in which the Company operates, makes Mr. DelliBovi a valuable member of our Board of Directors.

Thomas S. Gulotta is the Chief Executive Officer of Executive Strategies, LLC, a highly successful consulting firm. Mr. Gulotta serves as a gubernatorial appointee to the position of Director of the United Nations Development Corporation. Mr. Gulotta also serves as Special Counsel to the Garden City, New York law firm Albanese & Albanese, LLP. He is admitted to practice before the United States Supreme Court, the U.S. District Court for the Southern and Eastern Districts of New York, and the Court of Appeals for the Armed Forces. Mr. Gulotta served as Nassau County Executive from 1987 to 2001. Mr. Gulotta served as Town of Hempstead Supervisor from 1981-1987 and as a New York State Legislator from 1977-1981.

Mr. Gulotta's legal background and knowledge of the Company's marketplace make Mr. Gulotta a valuable member of our Board of Directors.

Michael J. Hegarty served as President and Chief Executive Officer of the Company and the Bank from October 1998 until his retirement in June 2005. He joined the Company as Executive Vice President and Corporate Secretary and the Bank as Executive Vice President and Chief Operating Officer in 1995. Prior to that, he was Vice President-Finance as well as Corporate Secretary and Treasurer, a director and Chairman of the Audit Committee of EDO Corporation, formerly a New York Stock Exchange listed company and a manufacturer of defense systems and components. Earlier in his career, Mr. Hegarty was an accountant with the firm Peat, Marwick, Mitchell and Company.

Mr. Hegarty's extensive experience as a public company executive and board member and knowledge of the Company's industry and history and his background as a certified public accountant make him a valuable member of our Board of Directors.

John J. McCabe has served as Chief Equity Strategist of Shay Assets Management, Inc. for the past 20 years and as co-manager of the AMF Large Cap Equity Fund managed by Shay Assets Management. He has also served as Managing Director of Sterling Manhattan Corp., an investment banking firm, and spent 19 years at Bankers Trust Company serving in various capacities, including Managing Director of the Investment Management Group, Director of Investment Research and member of the Senior Investment Policy Committee. Mr. McCabe is a past director of the New York Society of Security Analysts, having served twice as its President.

Mr. McCabe brings long-time experience in the securities industry and fund management business, as well as a background of investment banking, to the Company and makes him a valuable member of our Board of Directors.

Donna M. O'Brien is President of Strategic Visions in Healthcare, LLC, a healthcare strategy/policy consulting firm with particular expertise in cancer program planning. With over 25 years of healthcare experience in academic medical centers, multi-institutional health systems and community hospitals, her management positions have included being the Executive Vice President of the Catholic Health System of Long Island (a \$1.3 billion regional health system) where she led the formation of the system, and at the University of

Table of Contents

Texas MD Anderson Cancer Center in Houston where she was responsible for hospital operations. Ms. O'Brien has served as a Special Advisor to the Director of the National Cancer Institute and serves on the Board of Regents of Seton Hall University. She was a member of the Governor of New York State's Commission on Healthcare Facilities for the Twenty First Century

Ms. O'Brien's long history in senior administrative and management positions and her experience on other boards makes her a valuable member of our Board of Directors.

Michael J. Russo is self-employed as a consulting engineer and serves as Chief Executive Officer and Corporate Secretary of Fresh Meadow Mechanical Corp., a mechanical contracting firm. Mr. Russo is President and Director of Operations of Northeastern Aviation Corp., an aircraft charter and management firm, and is a partner in AMF Associates, a commercial real estate company. Mr. Russo also serves as Chairman of the Board of Trustees of Flushing Hospital Medical Center. Prior to retiring in 2004, Mr. Russo served as Chairman of the Board of Anthony Russo, Inc., a general contracting firm, for over 40 years.

Mr. Russo's executive experience in a variety of businesses, his knowledge of the Company's marketplace and his ties to the Company's community make him a valuable member of our Board of Directors.

Executive Officers Who Are Not Directors

The following persons currently serve as executive officers who are not directors of the Company.

Name	Age⁽¹⁾	Position(s) with the Company
David W. Fry	64	Senior Executive Vice President, Treasurer and Chief Financial Officer
Maria A. Grasso	50	Senior Executive Vice President, Chief Operating Officer and Corporate Secretary
Francis W. Korzekwinski	52	Senior Executive Vice President and Chief of Real Estate Lending
Michael Bingold	52	Executive Vice President
Allen M. Brewer	62	Executive Vice President
Ronald Hartmann	59	Executive Vice President
Jeoung Jin	48	Executive Vice President
Theresa Kelly	53	Executive Vice President
Gary P. Liotta	55	Executive Vice President
Robert G. Kiraly	59	Executive Vice President
Patricia Mezeul	55	Executive Vice President
John F. Stewart	58	Executive Vice President
Frank J. Akalski	60	Senior Vice President