EAGLE BANCORP INC
Form PRE 14A
March 27, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 14A INFORMATION

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

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

x	Preliminary Proxy Statement
o	**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
o	Definitive Proxy Statement
o	Definitive Additional Materials
o	Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

Eagle Bancorp, Inc.
(Name of Registrant as Specified in its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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1.	Title of each class of securities to which transaction applies:
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1.	Amount Previously Paid:
2.	Form, Schedule or Registration Statement No.:
3	Filing Party:
4.	Date Filed:

EAGLE BANCORP, INC.

7815 Woodmont Avenue

Bethesda, Maryland 20814

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To be held May 21, 2009

TO THE SHAREHOLDERS OF EAGLE BANCORP, INC.:

The Annual Meeting of Shareholders of Eagle Bancorp, Inc. (the Company), will be held at

The Bethesda Marriott Hotel

5151 Pooks Hill Road

Bethesda, Maryland

on Thursday, May 21, 2009 at 10:00 A.M.

for the following purposes:

1. To elect ten (10) directors to serve until the next Annual Meeting of Shareholders and until their successors are duly elected and qualified;

2. To consider and approve an amendment to the Company s 2006 Stock Plan to increase the number of shares of common stock subject to the plan by 500,000;

3. To consider and approve an amendment to the Company s 2006 Stock Plan to broaden the authority to grant restricted stock to enable the Company to make restricted stock grants in compliance with the American Recovery and Reinvestment Act of 2009;

4. To vote on a non-binding advisory resolution approving the compensation of our executive officers; and

5. To transact any other business that may properly come before the meeting or any adjournment or postponement of the meeting.

Shareholders of record as of the close of business on, March 27, 2009 are entitled to notice of and to vote at the meeting or any adjournment or postponement of the meeting.

By Order of the Board of Directors

Jane E. Cornett, Corporate Secretary

April 10, 2009

Please sign, date and return your proxy promptly, whether or not you plan to attend the meeting in person. No postage is required if mailed in the United States in the enclosed envelope. If you attend the meeting, you may, if you desire, revoke your proxy and vote in person. If your shares are not registered in your name, you will need additional documentation from your recordholder in order to vote in person at the meeting.

EAGLE BANCORP, INC.

7815 Woodmont Avenue

Bethesda, Maryland 20814

ANNUAL MEETING OF SHAREHOLDERS

Proxy Statement

INTRODUCTION

This Proxy Statement is being sent to shareholders of Eagle Bancorp, Inc., a Maryland corporation (the Company), in connection with the solicitation of proxies by the Board of Directors of the Company for use at the Annual Meeting of Shareholders, to be held at 10:00 A.M. on Thursday, May 21, 2009, and at any adjournment or postponement of the meeting. The purposes of the meeting are:

1. electing ten (10) directors to serve until the next Annual Meeting of Shareholders and until their successors are duly elected and qualified;

2. voting on an amendment to the Company s 2006 Stock Plan to increase the number of shares of common stock subject to the plan by 500,000;

3. voting on an amendment to the Company s 2006 Stock Plan to broaden the authority to enable the Company to make restricted stock grants in compliance with the American Recovery and Reinvestment Act of 2009;

4. voting on a non-binding advisory resolution approving the compensation of our executive officers; and

5. transacting any other business that may properly come before the meeting or any adjournment or postponement of the meeting.

The meeting will be held at:

The Bethesda Marriott Hotel

5151 Pooks Hill Road

Bethesda, Maryland

This proxy statement and proxy card are being sent to shareholders of the Company on or about April 10, 2009. A copy of the Company s Annual Report on Form 10-K for the year ended December 31, 2008, which includes our audited financial statements, also accompanies this proxy statement.

The cost of this proxy solicitation is being paid by the Company. In addition to the use of the mail, proxies may be solicited personally or by telephone by officers, regular employees or directors of the Company or its subsidiary, EagleBank (the Bank), who will not receive any special compensation for their services. The Company may also reimburse brokers, custodians, nominees and other fiduciaries for their reasonable out-of-pocket and clerical costs for forwarding proxy materials to their principals. The Company has not engaged a paid proxy solicitation firm to assist it in connection with the meeting, although it reserves the right to do so if deemed appropriate.

VOTING RIGHTS AND PROXIES

Voting Rights

Only shareholders of record at the close of business on March 27, 2009, will be entitled to notice of and to vote at the meeting or any adjournment or postponement of the meeting. On that date, the Company had 12,745,118 shares of common stock, par value $0.01 per share (the common stock) outstanding, held by approximately 1,940 total shareholders, including approximately 1,100 shareholders of record. The common stock is the only class of the Company s stock entitled to vote in the election of directors generally, of which shares are outstanding. Each share of common stock is entitled to one vote on all matters submitted to a vote of the shareholders. Shareholders do not have the right to cumulate votes in the election of directors. The presence, in person or by proxy, of not less than a majority of the total number of outstanding shares of common stock is necessary to constitute a quorum at the meeting.

Proxies

Properly executed proxies received by the Company in time to be voted at the meeting will be voted as specified by shareholders. In the absence of specific instructions, proxies received will be voted **FOR** the election of the nominees for election as directors, **FOR** each of the amendments to the 2006 Stock Plan and **FOR** the non-binding advisory resolution approving our executive compensation. Management does not know of any matters that will be brought before the meeting, other than as described in this proxy statement. If other matters are properly brought before the meeting, the persons named in the proxy intend to vote the shares to which the proxies relate in accordance with their best judgment.

The judges of election appointed by the Board of Directors for the meeting will determine the presence of a quorum and will tabulate the votes cast at the meeting. Abstentions will be treated as present for purposes of determining a quorum, but as unvoted for purposes of determining the approval of any matter submitted to the vote of shareholders. If a broker indicates that it does not have discretionary authority to vote any shares of common stock on a particular matter, such shares will be treated as present for general quorum purposes, but will not be considered as present or voted with respect to that matter.

Please sign, date, mark and return promptly the enclosed proxy in the postage paid envelope provided for this purpose in order to assure that your shares are voted. You may revoke your proxy at any time before it is voted at the meeting:

- by granting a later proxy with respect to the same shares;
- by sending written notice to Jane E. Cornett, Corporate Secretary of the Company, at the address noted above, at any time prior to the proxy being voted; or
- by voting in person at the meeting.

Attendance at the meeting will not, in itself, revoke a proxy. If your shares are held in the name of your bank or broker, you will need additional documentation to vote in person at the meeting. Please see the voting form provided by your bank or broker for additional information regarding the voting of your shares.

Many shareholders whose shares are held in an account at a brokerage firm or bank will have the option to submit their proxies or voting instructions electronically through the Internet or by telephone. Shareholders should check the voting form or instructions provided by their bank or broker to see which options are available. Shareholders submitting proxies or voting instructions electronically should understand that there may be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies that would be borne by the shareholder. To revoke a proxy previously submitted electronically, a shareholder may simply submit a new proxy at a later date before the submission deadline indicated by your bank or broker, in which case, the later submitted proxy will be recorded and the earlier proxy will be revoked.

Important Notice Regarding the Availability of Proxy materials for the Annual Meeting of Shareholders to be held on May 21, 2009.
The proxy statement for the Annual Meeting is attached. A copy of the proxy statement and our Annual Report on Form 10-K for the year ended December 31, 2008 is available online at http://materials.proxyvote.com/268948.

VOTING SECURITIES AND PRINCIPAL SHAREHOLDERS

Securities Ownership of Directors, Nominees, Officers and Certain Beneficial Owners

The following table sets forth certain information concerning the number and percentage of whole shares of the Company s common stock beneficially owned by its directors, executive officers whose compensation is disclosed in this proxy statement, and by its directors and all executive officers as a group, as of March 27, 2009. Except as otherwise indicated, all shares are owned directly, the named person possesses sole voting and sole investment power with respect to all such shares, and none of such shares are pledged as security. Except as set forth below, the Company knows of no other person or persons who beneficially own in excess of five percent of the Company s common stock. Further, the Company is not aware of any arrangement which at a subsequent date may result in a change of control of the Company.

Name	Position	Number of Shares	Percentage(1)
Leonard L. Abel	Director of Company and Bank	329,278(2)	2.58%
Leslie M. Alperstein, Ph.D.	Director of Company	71,783(3)	0.56%
Dudley C. Dworken	Director of Company and Bank	239,521(4)	1.88%
Harvey M. Goodman	Director of Company and Bank	111,105(5)	0.87%
Neal R. Gross	Director of Company and Bank	733,685(6)	5.77%
Philip N. Margolius	Director of Company and Bank	232,278(7)	1.82%
Ronald D. Paul	Chairman, President and Chief Executive Officer of Company; Chairman and Chief Executive Officer of Bank	869,334(8)	6.77%
Robert P. Pincus	Director of Company and Bank	75,075(9)	0.59%
Norman R. Pozez	Director of Company and Bank	119,862(10)	0.94%
Donald R. Rogers	Director of Company and Bank	54,846(11)	0.43%
Leland M. Weinstein	Director of Company and Bank	119,601(12)	0.94%
Martha Foulon-Tonat	Executive Vice President, Chief Lending Officer of Bank	94,696(13)	0.74%
James H. Langmead	Executive Vice President, Chief Financial Officer of Company and Bank	14,380(14)	0.11%
Thomas D. Murphy	Executive Vice President, President Montgomery County Division of Bank	70,860(15)	0.55%
Susan G. Riel	Executive Vice President, Chief Operating Officer of Bank	68,431(16)	0.53%
All directors and executive officers of Company as a group (18 persons)		3,300,766(17)	25.03%

(1) Represents percentage of 12,745,118 shares issued and outstanding as of March 27, 2009, except with respect to individuals holding options exercisable within 60 days of that date, in which event, represents percentage of shares issued and outstanding plus the number of shares for which that person holds options exercisable within 60 days of March 27, 2009, and except with respect to all directors and executive officers of the Company as a group, in which case represents percentage of shares issued and outstanding plus the number of shares for which those persons hold such options. Certain shares beneficially owned by the Company s directors and executive officers may be held in accounts with third party firms, where such shares may from time to time be subject to a security interest for margin credit provided in accordance with such firm s policies.

(2) Includes options and warrants to purchase 11,154 shares of common stock, 222,242 shares of common stock held jointly and 14,638 shares held by his spouse.

(3) Includes 59,116 shares of common stock held jointly and options to purchase 2,209 shares of common stock.

(4) Includes options to purchase 2,382 shares of common stock, 67,692 shares held in a trust of which Mr. Dworken is beneficiary, 30,996 shares held jointly, 26,369 shares held by his spouse and 101,998 shares held in trusts for the benefit of members of his family.

(Footnotes continued on following page)

(Footnotes continued from prior page)

(5) Includes options and warrants to purchase 7,040 shares of common stock, 73,275 shares held jointly with Mr. Goodman s spouse and 14,338 shares held by or in trust for members of his family.
(6) Includes options to purchase 2,427 shares of common stock, 54,928 shares held by his souse and 322,148 held by a family partnership. Mr. Gross business address is c/o Neal R. Gross & Co., Inc., 1323 Rhode Island Avenue, NW, Washington, D.C. 20005.
(7) Includes options to purchase 5,303 shares of common stock, 180,253 shares in trust accounts for which Mr. Margolius has voting rights, 7,456 shares held by his spouse and 25,788 held in a profit sharing account for which Mr. Margolius is the beneficiary.
(8) Includes options to purchase 91,986 shares of common stock and 290,142 shares held in trust for his children. Includes 82,257 shares held by a third party trustee in a trust for the benefit of family members of Mr. Paul, as to which he disclaims beneficial ownership. Mr. Paul s business address is c/o Ronald D. Paul Companies, 4416 East West Highway, Bethesda, Maryland 20814.
(9) Includes options to purchase 39,045 shares of common stock; 5,568 shares held by his spouse; and 2,141 shares held by his child.
(10) Includes 18,187 shares held jointly and 8,566 shares held by relatives, over which Mr. Pozez has voting authority.
(11) Includes options to purchase 3,125 shares of common stock, 20,783s hares held by his spouse and 22,308 shares held for the benefit of his children.
(12) Includes 56,650 shares held jointly and options to purchase 21,037 shares of common stock.
(13) Includes options to purchase 47,262 shares of common stock, and 3,082 shares held in trust for minor children. Also includes 28,042 shares held by Ms. Foulon-Tonat s spouse, as to which she disclaims beneficial ownership.
(14) Includes options to purchase 12,961 shares of common stock and 1,419 shares held jointly with Mr. Langmead s spouse.
(15) Includes options to purchase 58,514 shares of common stock and 836 shares held by his spouse for their minor child.
(16) Includes options to purchase 47,630 shares of common stock and 20,801 shares held jointly with her spouse.
(17) Includes options to purchase 441,941 shares of common stock.

PROPOSAL 1 - ELECTION OF DIRECTORS

The Board of Directors has nominated ten (10) persons for election as director at the meeting, for a one-year period until the 2010 Annual Meeting of Shareholders and until their successors have been elected and qualified. Each of the nominees for election as a director currently serves as a member of the Board of Directors. Unless authority is withheld, all proxies in response to this solicitation will be voted for the election of the nominees listed below. Each nominee has indicated a willingness to serve if elected. However, if any nominee becomes unable to serve, the proxies received in response to this solicitation will be voted for a replacement nominee selected in accordance with the best judgment of the persons named as proxies. The Board of Directors has determined that each director and nominee for election as director, other than Mr. Paul, is an independent director as that term is defined in Rule 4200(a)(15) of The NASDAQ Stock Market (NASDAQ). In making this determination, the Board of Directors was aware of and considered the loan and deposit relationships with directors and their related interests which the Company enters into in the ordinary course of its business, and the arrangements which are disclosed under Certain Relationships and Related Transactions in this proxy statement.

Vote Required and Board Recommendation. Nominees receiving a plurality of the votes cast at the meeting in the election of directors will be elected as director, in the order of the number of votes received. **The Board of Directors recommends that shareholders vote FOR each of the nominees to the Company s Board of Directors.**

Directors and Nominees for Election as Directors

Set forth below is certain information concerning the directors of the Company and the nominees for election as director of the Company. Except as otherwise indicated, the occupation listed has been such person s principal occupation for at least the last five years. Each of the nominees for election as a director of the Company, other than Mr. Alperstein, also currently serves as a director of the Bank. Except as noted below, each nominee has served as a director of the Company since its organization.

Leonard L. Abel. Mr. Abel, 82, served as the Chairman of the Board of Directors of the Company from the organization of the Company until the 2008 Annual Meeting of Shareholders. Until retiring in 1993, Mr. Abel was partner-in-charge of the certified public accounting firm of Kershenbaum, Abel, Kernus and Wychulis, Rockville, Maryland with which he served for forty-five years. From October 1996, until resigning in September 1997, Mr. Abel was a member of the Board of Directors of F&M National Corporation (NYSE) and its wholly owned subsidiary, F&M Bank - Allegiance, Bethesda, Maryland, and prior to that time was Chairman of the Board of Allegiance Bank, N.A. (collectively with F&M Bank - Allegiance, Allegiance) and its holding company Allegiance Banc Corporation, from their organization until their acquisition by F&M National Corporation, which was subsequently acquired by BB&T Corporation (F&M). Mr. Abel was also Chairman of the Board of Directors of Central National Bank of Maryland from 1968 until its acquisition in 1986 by Citizens Bank of Maryland (now SunTrust Banks, Inc.). Mr. Abel is not standing for reelection at the meeting.

Leslie M. Alperstein, Ph.D. Mr. Alperstein, 66, has been President of Washington Analysis Corp. and its predecessor firm, Washington Analysis LLC, a leading governmental policy investment research group in Washington, D.C., since its inception in 1973. He has served as Executive Managing Director and Director of Research of HSBC Securities, Inc., Director of Economic and Investment Research for NatWest Securities, Prudential Securities, Shields Model Roland, Inc. and Legg Mason & Co. His professional memberships include the National Association of Business Economists, the National Economists Club, and the Washington Society of Investment Analysts. Mr. Alperstein was appointed to the Board of Directors in September 2003.

Dudley C. Dworken. Mr. Dworken, 59, has served as a director of the Company since August 1999. Mr. Dworken is a private investor and real estate developer. Mr. Dworken was the owner of Curtis Chevrolet, an automobile dealership in Washington, D.C. Mr. Dworken was a Director of Allegiance from 1987 until October 1997, and a director of Allegiance Banc Corporation from 1988 until its acquisition by F&M. Mr. Dworken is an active member of numerous community, business, charitable and educational institutions in the Washington, D.C./Montgomery County area.

Harvey M. Goodman. Mr. Goodman, 53, has been with The Goodman, Gable, Gould Company, the Maryland based public insurance adjusting firm where he serves as President, since 1977. He is a director and past president of the National Association of Public Insurance Adjusters, and is a director and principal of Adjusters International, a national public adjusting firm. Mr. Goodman has served as a director of the Bank since its organization, and was appointed to the Board of Directors of the Company in January 2007.

Neal R. Gross. Mr. Gross, 66, is founder, Chairman and Chief Executive Officer of Neal R. Gross & Co. which provides court reporting services to attorneys, the federal government, private organizations and individuals since 1977. Mr. Gross previously served as a director of Century Bancshares, Inc., from 1995 until its acquisition by United Bankshares, Inc. in 2001. Mr. Gross has been a director of the Company since October 2008, and a director of the Bank since 2001.

Philip N. Margolius. Mr. Margolius, 69, a graduate of Dartmouth College and Yale Law School, is a partner in The Margolius Firm, a law firm in Washington, D.C., and until 2003 was a principal in the law firm of Margolius, Mallios and Rider, LLP. He specializes in estate planning, probate, real estate, non-profit organizations. Mr. Margolius has been an adjunct professor at the Washington College of Law at American University and lectures to professional groups in the community on estate planning. *Washingtonian Magazine* named him one of the area s leading real estate attorneys. Mr. Margolius has served on the Board of the Bank since June 2000 and was appointed to the Board of Directors of the Company in September 2003.

Ronald D. Paul. Mr. Paul, 53, is President, Chief Executive Officer and Chairman of the Board of Directors of the Company. He has served as Chairman since May 2008, and prior to that time was Vice Chairman and Chief Executive Officer since the organization of the Company. He also has served as Chairman of the Board of Directors of the Bank since the organization of the Bank. Since June 2006, he has served as Chief Executive Officer of the Bank, and he served as Interim President of the Bank from November 3, 2003 until January 26, 2004. Mr. Paul is President of Ronald D. Paul Companies and RDP Management, which are engaged in the business of real estate development and management activities. He is active in private investments, including as Chairman of Bethesda Investments, Inc., a private venture capital fund. Mr. Paul was a director of Allegiance from 1990 until September 1997, and a director of Allegiance Banc Corporation from 1990 until its acquisition by F&M, including serving as Vice Chairman of the Board of Directors from 1995. Mr. Paul is also active in various charitable organizations, including serving as Vice Chairman of the Board of Directors of the National Kidney Foundation from 1996 to 1997, and its Chairman from 2002 to 2003.

Robert P. Pincus. Mr. Pincus, 62, serves as Vice Chairman of the Board of Directors of the Company and the Bank. Prior to joining the Company in August 2008 upon the acquisition of Fidelity & Trust Financial Corporation (Fidelity) and its wholly owned subsidiary, Fidelity & Trust Bank (F&T Bank), Mr. Pincus served as Chairman of F&T Bank from 2005. He presently serves as Chairman of the Board of Blackstreet Capital Partners, L.P. and Chairman of Milestone Merchant Partners, LLC. He was Chairman of the Board of BB&T, DC Metro Region and was

Regional President from 1998 to 2002. From 1991 to 1998, Mr. Pincus was President and Chief Executive Officer of Franklin National Bank of Washington, D.C. From 1986 to 1991, Mr. Pincus was the regional president of the DC metropolitan region of Sovran Bank. From 1971 to 1986, Mr. Pincus was with DC National Bancorp, Inc., where he eventually rose to be President and Chief Executive Officer, prior to its merger with Sovran Bank. Mr. Pincus is a Trustee of the University of Maryland Foundation, Inc. and is a member of the board of directors of Comstock Homebuilding Companies, Inc.

Norman R. Pozez. Mr. Pozez, 54, is the Chairman of Uniwest Group, LLC; Uniwest Construction, Inc.; and Uniwest Commercial Realty, Inc. Mr. Pozez has been in the real estate development field for over twenty years. Previously, Mr. Pozez was Chief Operating Officer of The Hair Cuttery of Falls Church, Virginia and is currently on the firm s Board of Directors. Mr. Pozez has also served as a Regional Director of Real Estate and Construction for Payless ShoeSource. During his tenure at Payless and for some years thereafter, Mr. Pozez served on the Board of Directors of Bookstop, Inc. which sold to Barnes and Noble in 1989. Mr. Pozez is a licensed Real Estate Broker in Washington, D.C., Maryland and Virginia. Since 1979, Mr. Pozez has been an active member of the International Council of Shopping Centers and is a Board member of five not-for-profit organizations serving community needs in and around the Washington, D.C. metropolitan area. Mr. Pozez served as Chairman of the Board of Fidelity from April 2004 until February 2005, and as a director of Fidelity from September 2007 until August 2008, when Fidelity was acquired by the Company and he became a director of the Company.

Donald R. Rogers. Mr. Rogers, 64, has been engaged in the private practice of law since 1972 with the Rockville, Maryland based firm Shulman, Rogers, Gandal, Pordy & Ecker, P.A., of which he is a partner. Mr. Rogers was a member of the Board of Directors of Allegiance from 1987 until October 1997. Mr. Rogers has served as a director of the Bank since its organization, and was appointed to the Board of Directors of the Company in January 2007.

Leland M. Weinstein. Mr. Weinstein, 47, has served as President of Syscom Services, Inc., a technology consulting and integration firm, since 1997. Previously, he spent thirteen years with Automated Digital Systems (ADS), an integrator of duplication and fax technologies, where he rose to president and owner of the company (he sold ADS to Alco Standard Corporation, which became Ikon Office Solutions). Mr. Weinstein has been appointed to advisory councils for Xerox, Intel/Dialogic, Sharp Electronics, Captaris/Rightfax, Murata Business Systems, Brooktrout Technologies, Panasonic Electronics and the technology council of the American Society of Association Executives (ASAE). He sits on the Board of Governors of the University of Maryland Alumni Association and is involved in numerous charities. Mr. Weinstein has served on the Board of the Bank since 1998 and as a director of the Company since May 2005.

Election of Directors of the Bank

If elected, the nominees for election as directors intend to vote for Mr. Dworken, Mr. Goodman, Mr. Gross, Mr. Margolius, Mr. Paul, Mr. Pincus, Mr. Pozez, Mr. Rogers, Mr. Weinstein and the following persons to serve as directors of the Bank, each of whom currently serves as a director of the Bank.

Arthur H. Blitz. Mr. Blitz, 68, an attorney engaged in private practice since 1971, is a partner in the Bethesda, Maryland law firm of Paley, Rothman, Goldstein, Eig, Rosenberg & Cooper, Chartered. Mr. Blitz was a director of Allegiance at various times from 1987 to October 1997.

Steven L. Fanaroff. Mr. Fanaroff, 49, is Vice President - Chief Financial Officer of Magruder Holdings, Inc., a regional supermarket chain, with which he has served since 1981. Mr. Fanaroff served on the Board of Directors of Allegiance from 1990 until October 1997.

Benson Klein. Mr. Klein, 64, has been an attorney in Montgomery County since 1970, and a principal with Ward & Klein, Chartered, since 1978. Mr. Klein is also engaged in real estate investment activities in Montgomery County. He served as a director of F&M Bank - Allegiance from 1996 to 1997 and previously served as a director of Lincoln National Bank. Mr. Klein is currently, and has been, a member of a variety of community, business and charitable institutions in the Washington, D.C./Montgomery County area.

Susan Lacz. Ms. Lacz, 48, is a principal of Ridgewell Caterers. Prior to joining the Board of Directors of the Bank upon the acquisition of Fidelity, Ms. Lacz served as a director of F&T Bank.

Bruce H. Lee. Mr. Lee, 44, is President of Development of Lee Development Group, a closely held family real estate business founded in 1920 and based in downtown Silver Spring. He is principal broker of record for Montgomery Land Company, LLC, which specializes in commercial sales, leasing, and property management and the general partner of Montgomery 1936 Land Company LLC and General Manager of Acorn Self Storage. Mr. Lee was the charter president of the Greater Silver Spring Chamber in 1993. Mr. Lee was an elected Council member and Chairman of the Township of Chevy Chase View.

Thomas Roberson. Mr. Roberson, 52, is a partner of Montouri & Roberson. Mr. Roberson specializes in investment real estate. Mr. Roberson was a former Director of Laszlo N. Tauber, M.D. & Associates, LLC and is a current director of the Laszlo N. Tauber Trust. He served on the Board of BB&T, DC Metro Region until January 2006, and was a director of F&T Bank until August 2008. Mr. Roberson is a licensed General Real Property Appraiser, a Commercial Broker, and a tax advocate for assessment appeals.

Benjamin N. Soto. Mr. Soto, 40, is a principal of Premium Title and Escrow, LLC, a Washington D.C. based law firm and title company he founded in 2000. Prior to forming Premium, Mr. Soto was a partner in the firm of Garza, Regan, Rosenblatt, PC, where he practiced real estate and bankruptcy law. He frequently lectures to members of the D.C. Bar, is a former chair of the Bankruptcy Section of the National Bar Association, and in 2007, was appointed by Mayor Adrian Fenty to serve on the D.C. Sports and Entertainment Commission. He is also a member of the D.C. Land Title Association, Maryland Land Title Association, Better Business Bureau and the D.C. Chamber of Commerce. Mr. Soto was appointed to the Bank s Board of Directors in November 2006.

James A. Soltesz. Mr. Soltesz, 54, has served as Chief Executive Officer of Loiederman Soltesz Associates, Inc., a land development engineering and consulting firm since 1997. Mr. Soltesz was appointed to the Bank s Board of Directors in September 2007. Mr. Soltesz serves on the Board of Trustees of Georgetown Preparatory School, Mater Dei School, as a Life Director of the Maryland-National Capital Area Building Industry Association, and Catholic Charities Foundation. His firm includes 280 people located in six offices throughout the metropolitan area of Washington, D.C.

Worthington H. Talcott, Jr. Mr. Talcott, 56, an attorney engaged in private practice since 1979, has been a partner in Shulman, Rogers, Gandal, Pordy & Ecker, P.A. since 1998. Mr. Talcott has been an active member of the Juvenile Diabetes Foundation, serving as a member of the Board of Directors for the Capital Chapter from 1992 to 1996, and as President of the Capital Chapter from 1994 to 1995.

Eric H. West. Mr. West, 46, is a founding principal of West, Lane & Schlager/Oncor International, specializing in tenant representation and strategic real estate consulting in the Washington, D. C. metropolitan area. During his career, Mr. West has developed a specialty in not-for-profit organizations and corporations, leading to ongoing relationships with such diverse groups as The National Council on the Aging, The American Forest and Paper Association, The American Iron & Steel Institute, among many others.

Committees, Meetings and Procedures of the Board of Directors

Meetings. The Board of Directors of the Company met sixteen (16) times during 2008. All members of the Board of Directors of the Company attended at least 75% of the meetings held by the Board of Directors and by all committees on which such member served during the 2008 fiscal year or any portion thereof.

Audit Committee. The Board of Directors has a standing Audit Committee. The Audit Committee is responsible for the selection, review and oversight of the Company s independent accountants, the approval of all audit, review and attest services provided by the independent accountants, the integrity of the Company s reporting practices and evaluation of the Company s internal controls and accounting procedures. It also periodically reviews audit reports with the Company s independent auditors. The Board of Directors has adopted a written charter for the Audit Committee. A copy of the charter is available on the Company s website at www.eaglebankcorp.com. The Audit Committee of the Company is currently comprised of Mr. Dworken, the Chairman, and Messrs. Abel, Alperstein, Gross, Pincus, Pozez and Weinstein. Each of the members of the Audit Committee is independent, as determined under the definition of independence adopted by NASDAQ for audit committee members in Rule 4350(d)(2)(A). During the 2008 fiscal year, the Audit Committee of the Company met seven (7) times. The Board of Directors has determined that Mr. Alperstein is an audit committee financial expert as defined under regulations of the Securities and Exchange Commission.

The audit committee is also responsible for the pre-approval of all non-audit services provided by its independent auditors. Non-audit services are only provided by the Company s auditors to the extent permitted by law. Pre-approval is required unless a *de minimus* exception is met. To qualify for the *de minimus* exception, the aggregate amount of all such non-audit services provided to the Company must constitute not more than five percent of the total amount of revenues paid by the Company to its independent auditors during the fiscal year in which the non-audit services are provided; such services were not recognized by the Company at the time of the engagement to be non-audit services; and the non-audit services are promptly brought to the attention of the committee and approved prior to the completion of the audit by the committee or by one or more members of the committee to whom authority to grant such approval has been delegated by the committee.

Nominating Committee. The Board of Directors has a standing nominating committee, consisting of four members of the Board of Directors who are independent directors within the meaning of NASDAQ Rule 4200(a)(15). The nominating committee is currently comprised of Mr. Weinstein, the Chairman, and Messrs. Margolius, Pincus and Pozez. The nominating committee is responsible for the evaluation of nominees for election as director, the nomination of director candidates for election by the shareholders and evaluation of sitting directors. The Board of Directors has adopted a charter addressing the nominations process. A copy of the charter is available on the Company s website at www.eaglebankcorp.com.

The Board has not developed a formal policy for the identification or evaluation of nominees. In general, when the Board determines that expansion of the Board or replacement of a director is necessary or appropriate, the nominating committee will review, through candidate interviews with members of the Board and management, consultation with the candidate s associates and through other means, a candidate s honesty, integrity, reputation in and commitment to the community, judgment, personality and thinking style, willingness to invest in the Company, residence, willingness to devote the necessary time, potential conflicts of interest, independence, understanding of financial statements and issues, and the willingness and ability to engage in meaningful and constructive discussion regarding Company issues. The committee would review any special expertise, for example, expertise that qualifies a person as an audit committee financial expert, and membership or influence in a particular geographic or business target market, or other relevant business experience. To date the Company has not paid any fee to any third party to identify or evaluate, or to assist it in identifying or evaluating, potential director candidates.

The nominating committee will consider director candidates nominated by shareholders during such times as the Company is actively considering obtaining new directors. Candidates recommended by shareholders will be evaluated based on the same criteria described above. Shareholders desiring to suggest a candidate for consideration should send a letter to the Company s Secretary and include: (a) a statement that the writer is a shareholder (providing evidence if the person s shares are held in street name) and is proposing a candidate for consideration; (b) the name and contact information for the candidate; (c) a statement of the candidate s business and educational experience; (d) information regarding the candidate s qualifications to be director, including but not limited to an evaluation of the factors discussed above which the Board would consider in evaluating a candidate; (e) information regarding any relationship or understanding between the proposing shareholder and the candidate; (f) information regarding potential conflicts of interest; and (g) a statement that the candidate is willing to be considered and willing to serve as director if nominated and elected. Because of the limited resources of the Company and the limited opportunity to seek additional directors, there is no assurance that all shareholder proposed candidates will be fully considered, that all candidates will be considered equally, or that the proponent of any candidate or the proposed candidate will be contacted by the Company or the Board, and no undertaking to do so is implied by the willingness to consider candidates proposed by shareholders.

Compensation Committee. The Board of Directors of the Company has a Compensation Committee (the Compensation Committee), consisting of all of the members of the Board of Directors who are independent directors within the meaning of NASDAQ Rule 4200(a)(15). The Compensation Committee has the sole responsibility for determining executive compensation, including that of the named executive officers. The Compensation Committee makes determination with respect to salary levels, bonus compensation and equity compensation awards for executive officers. In exercising its role, the Compensation Committee may consider information or recommendations to the Compensation Committee provided by the Compensation Committee of the Bank (the Bank Compensation Committee), which determines compensation policy for nonexecutive employees. The Bank Compensation Committee is currently comprised of Mr. Blitz, the Chairman, and Messrs. Abel, Dworken, Paul, Pincus, Rogers and Weinstein. Mr. Paul does not participate in, or remain present during, discussions of his compensation. Neither the Compensation Committee nor the Bank Compensation Committee has a charter. During the 2008 fiscal year, the Compensation Committee met eight (8) times.

In January 2008, the Compensation Committee authorized the retention of a compensation consultant every other year to assist the Company in evaluating executive compensation levels and the form of executive compensation. The Compensation Committee retained Amalfi Consulting, Inc. in connection with compensation levels for 2009. Previously, in 2005, the Bank Compensation Committee engaged Clark Consulting (Clark), an executive compensation and benefits consulting firm of national scope and reputation, to evaluate whether its compensation levels were reasonably competitive and to make specific compensation plan recommendations with respect to changes in executive compensation levels and development of an equity compensation strategy.

Compensation Committee Interlocks and Insider Participation. No member of the Compensation Committee has served as an officer or employee of the Company or Bank at any time. None of our executive officers serve as a member of the compensation committee of any other company that has an executive officer serving as a member of our Board of Directors. None of our executive officers serve as a member of the board of directors of any other company that has an executive officer serving as a member of the Compensation Committee. Except for loans and deposit transactions in the ordinary course of business made on substantially the same terms, including interest rates and collateral, as those for comparable transactions with unaffiliated parties, and not presenting more than the normal risk of collectability or other unfavorable features, no member of the Compensation Committee or any of their related interests has any material interest in any transaction involving more than $120,000 to which the Company is a party.

Shareholder Communications. Company shareholders who wish to communicate with the Board of Directors or an individual director can write to Eagle Bancorp, Inc., 7815 Woodmont Avenue, Bethesda, Maryland 20814, Attention: Jane E. Cornett, Corporate Secretary. Your letter should indicate that you are a shareholder, and whether you own your shares in street name. Depending on the subject matter, management will: (a) forward the communication to the director or directors to whom it is addressed; (b) handle the inquiry directly or delegate it to appropriate employees, such as where the communication is a request for information, a stock related matter, or a matter related to ordinary course matters in the conduct of the Company s banking business; or (c) not forward the communication where it is primarily commercial or political in nature, or where it relates to an improper, frivolous or irrelevant topic. Communications which are not forwarded will be retained until the next Board meeting, where they will be available to all directors.

Director Attendance at the Annual Meeting. The Board of Directors believes it is important for all directors to attend the annual meeting of shareholders in order to show their support for the Company and to provide an opportunity for shareholders to communicate any concerns to them. Accordingly, it is the policy of the Company to encourage all directors to attend each annual meeting of shareholders unless they are unable to attend by reason of personal or family illness or pressing matters. All of the Company s directors in office at the time attended the 2008 annual meeting of shareholders.

Audit Committee Report

The Audit Committee has been appointed to assist the Board of Directors in fulfilling the Board s oversight responsibilities by reviewing the financial information that will be provided to the shareholders and others, the systems of internal controls established by management and the Board and the independence and performance of the Company s audit process.

The Audit Committee has:

(1) reviewed and discussed with management the audited consolidated financial statements included in the Company s Annual Report on Form 10-K;

(2) discussed with Stegman & Company, the Company s independent registered public accounting firm, the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T; and

(3) has received the written disclosures and letter from Stegman & Company as required by the Public Company Accounting Oversight Board in Rule 3526, Communications with Audit Committees Concerning Independence and has discussed with Stegman & Company, its independence and has received confirmation from Stegman & Company that they are independent of the Company in compliance with Public Company Accounting Oversight Board Rule 3520.

Based on these reviews and discussions, the Audit Committee has recommended to the Board of Directors that the audited consolidated financial statements be included in the Company s annual report on Form 10-K for the year ended December 31, 2008. The Audit Committee has also considered whether the amount and nature of non-audit services provided by Stegman & Company is compatible with the auditor s independence.

Members of the Audit Committee

Dudley C. Dworken, Chairman
Leonard L. Abel
Leslie M. Alperstein
Neal R. Gross
Robert P. Pincus
Norman R. Pozez
Leland M. Weinstein

Director Compensation

The following table sets forth information regarding compensation paid to, or earned by, non-employee directors of the Company during the fiscal year ended December 31, 2008 for service as members of the Company and Bank Boards of Directors. Members of the Board of Directors who are employees do not receive additional cash compensation for service on the Board of Directors.

Name	Fees Earned or Paid in Cash	Option Awards(1)(2)	All Other Compensation	Total
Leonard L. Abel	$ 75,000	$	$	$ 75,000
Leslie M. Alperstein, Ph.D.	$ 10,700	$ 2,386	$	$ 13,086
Dudley C. Dworken	$ 29,800	$ 3,877	$	$ 33,677
Harvey M. Goodman	$ 18,900	$ 3,877	$	$ 22,777
Neal R. Gross	$ 10,400	$ 1,491	$	$ 11,891
Philip N. Margolius	$ 22,400	$ 3,877	$	$ 26,277

Robert P. Pincus	$	73,332	$		$	5,000(3)	$	78,332
Norman R. Pozez	$	3,300	$		$		$	3,300
Donald R. Rogers	$	16,500	$	3,877	$		$	20,377
Leland M. Weinstein	$	24,200	$	3,877	$		$	28,077

(1) Represents the amount of expense recognized in 2008 with respect to option awards for financial reporting purposes. The grant date fair value of the 2008 option awards for each director, other than Mr. Alperstein was $7,755, and was $4,772 for Mr. Alperstein. Please refer to note 13 to the Company s Consolidated Financial Statements for the year ended December 31, 2008 for a discussion of the assumptions used in calculating the grant date fair value.

(2) At December 31, 2008, the non-employee directors had outstanding option awards, vested and unvested, to purchase shares of common stock as follows: Mr. Abel 11,154 shares; Mr. Alperstein 2,943 shares; Mr. Dworken 3,575 shares; Mr. Goodman 8,233 shares; Mr. Gross 2,886 shares; Mr. Margolius 6,496 shares; Mr. Pincus 93,045 shares; Mr. Pozez 0 shares; Mr. Rogers 4,318 shares and Mr. Weinstein 22,230 shares.

(3) Represents car allowance of $1,250 per month.

During 2008, each non-employee director of the Company and Bank, other than Mr. Abel and Mr. Pincus, received an annual retainer of $5,000 in cash ($7,500 if a member of both the Bank and Company Board of Directors), plus a cash fee of $300 for each meeting of the Board of Directors of the Company, the Board of Directors of the Bank or a committee of the Board of the Company or the Bank attended ($400 per meeting of a committee if serving as chair of the committee). Additionally, in January 2008, each of Mr. Paul and the then serving non-employee members of the Company Board of Directors, other than Mr. Abel and Mr. Alperstein, was granted options to purchase 3,575 shares of common stock for service on the Company and Bank Boards, as adjusted for the 10% stock dividend paid in October 2008. Mr. Alperstein, who serves only on the Company Board of Directors, was granted options to purchase 2,200 shares of common stock, as adjusted, and Mr. Abel declined the grant. Each other member of the Bank Board of Directors was granted options to purchase 1,375 shares of common stock, as adjusted. All of such options have an exercise price of $11.87 per share, as adjusted, a five year term, and vest in three substantially equal installments, on the date of grant, and the first and second anniversaries of the date of grant. In 2008, an aggregate of $289,532 in cash retainers and meeting fees were paid to members of the Board of Directors of the Company for service on the Board of Directors of the Company and Bank, and $100,000 was paid to members of only the Board of Directors of the Bank for such service**.**

During 2009, non-employee directors, other than Mr. Abel and Mr. Pincus, are currently entitled to receive the same cash fees. Commencing in March 2009, non-employee directors serving as the chair of a committee will receive an additional annual retainer of $1,000 to $3,000 per committee for such service. However, the Board believes that Director fees appear to be modest based on published reports and statistical comparisons, and the review performed by the Company s compensation consultant, Amalfi Consulting, Inc.

During 2008, Mr. Abel, who served as Chairman of the Board of Directors of the Company until the 2008 Annual Meeting of Shareholders, received an annual payment of $75,000 in lieu of regular director fees from the Company and the Bank, the same amount he received in 2007. Mr. Abel and the Company are parties to an agreement governing his service and compensation. The term of Mr. Abel s current agreement expires on December 31, 2011. On each December 31, the term of the agreement automatically extends for one additional year, unless Mr. Abel has given notice of his intention not to renew the term. Under his agreement, Mr. Abel is entitled to receive an annual fee, currently $75,000, subject to periodic increase, in lieu of all other fees for service on the Boards of Directors or any committees of the Company and the Bank. In the event of termination of Mr. Abel s service on the Board of Directors for any reason other than for cause (as defined), Mr. Abel (or his estate), is entitled to receive an amount equal to 2.99 times his then current annual fee, subject to certain limitations in the event that his termination occurs in connection with a change in control (as defined) of the Company or the Bank. If Mr. Abel were entitled to receive the termination benefits as of December 31, 2008, he would receive approximately $224,250, unless the termination were in connection with a change in control, in which case he would receive approximately $138,636. Mr. Abel s compensation is determined by the Company s Board, exclusive of Mr. Abel s participation, and is based on the best judgment of the members of the Board, taking into consideration his total value to the Company and the Bank and the various aspects of his contribution.

In connection with the acquisition of Fidelity, Mr. Pincus and the Bank entered into an agreement pursuant to which he is retained to serve as Vice Chairman of the Board of Directors of the Bank. Under that agreement, Mr. Pincus receives an annual payment of $220,000, subject to annual increase to reflect, at a minimum, the increase in the consumer price index, in lieu of all other fees for service on the Board of Directors. Mr. Pincus will also be eligible to receive incentive bonuses pursuant to Board approved plans, and to a car allowance of $1,250 per month. The agreement has a term extending until August 31, 2011. In the event of early termination of the agreement by the Bank without cause, or as a result of Mr. Pincus death or disability, Mr. Pincus (or his estate) would be entitled to receive continued payment of retainer compensation and car allowance for the remainder of the term, subject to his continued compliance with the confidentiality, noncompete and nonsolicitation provisions of the agreement. The agreement provides that during the term and for a period of eighteen months after termination, Mr. Pincus will not in any capacity (i) render any services to a bank or financial services business, including but not limited to any consumer savings, commercial banking, insurance or trust business, or a savings and loan or mortgage business, or other business in which the Bank has invested significant resources in anticipation of commencing, or to any person or entity that is attempting to form such a business if it operates any office, branch or other facility that is (or is proposed to be) located within a thirty-five mile radius of the location of any branch of the Company or Bank or their affiliates, or (ii) induce or attempt to induce any customers, suppliers, officers, employees, contractors, consultants, 11

agents or representatives of, or any other person that has a business relationship with, the Company or Bank or their affiliates, to discontinue, terminate or reduce the extent of their relationship with such entity or to solicit any such customer for any competitive product or service, or otherwise solicit any customer or employee of the Company, or the Bank.

Under the agreement, in the event that (i) Mr. Pincus is terminated without cause after a change in control, (ii) his title, duties or position are materially reduced within twelve months after a change in control, without his consent, such that he would not have materially comparable compensation benefits and responsibilities, and not have his primary worksite moved more than twenty five miles, and such change is not cured within thirty days of notice of termination, or (iii) he voluntary terminates the agreement within the thirty day period following twelve months after a change in control, Mr. Pincus would be entitled to receive a lump sum payment equal to 2.99 times his highest rate of base compensation in effect within the twelve months prior to termination, subject to adjustment to avoid adverse tax consequences resulting from characterization of such payment for tax purposes as a parachute payment. If Mr. Pincus were entitled to receive the termination benefits as of December 31, 2008, he would receive approximately $626,666, unless the termination were in connection with a change in control, in which case he would receive approximately $234,212.

The Company does not maintain any discretionary bonus or non-equity incentive plans or compensation programs, deferred compensation, defined contribution or defined benefit retirement plans, for non-employee directors, or in which such directors may participate.

Executive Officers Who Are Not Directors

Set forth below is certain information regarding persons who are executive officers of the Company or the Bank and who are not directors of the Company. Except as otherwise indicated, the occupation listed has been such person s principal occupation for at least the last five years.

Michael T. Flynn. Mr. Flynn, 61, has served as Executive Vice President and Chief Operating Officer of the Company since June 2006, previously served as President - District of Columbia Division of the Bank, from June 2006 until August 2008, was President of the Bank from January 2004 until June 2006. Mr. Flynn has over 37 years experience in the banking industry in the Washington, D.C. and Maryland region. Prior to joining EagleBank in January 2004, he was the Washington region executive for Mercantile Bankshares Corporation from April 2003. He previously was the Director of Strategic Planning for Allfirst Financial, Inc., and prior to that held several executive level positions for Bank of America and predecessor companies. He has been involved in community affairs throughout his career, particularly educational groups including the American Institute of Banking and the Corcoran College of Art & Design. He is a Director of the Workforce Investment Council of the District of Columbia and the Maryland Banking School.

Martha Foulon-Tonat. Ms. Foulon-Tonat, 53, Executive Vice President and Chief Lending Officer of the Bank, served at Allegiance Bank from January 1990 to December 1997. Her duties included being Senior Vice President and Chief Lending Officer. Prior to her service at Allegiance Bank, Ms. Foulon-Tonat served at various commercial banks in the area. She has over 25 years experience in the commercial banking industry.

James H. Langmead. Mr. Langmead, 59, Executive Vice President and Chief Financial Officer of the Company since January 2007, and Executive Vice President and Chief Financial Officer of the Bank since January 2005, previously served as Chief Financial Officer of Sandy Spring Bank and Sandy Spring Bancorp. Mr. Langmead, a CPA, served in various financial and senior management roles with Sandy Spring Bank from 1992 through 2004. Prior to that time, Mr. Langmead managed the finance group at the Bank of Baltimore.

Thomas D. Murphy. Mr. Murphy, 61, has served as President - Montgomery County Division of the Bank since June 2006, and was previously Executive Vice President - Chief Operating Officer of the Bank. He served at Allegiance from September 1994, including as Executive Vice President and Chief Operating Officer from December 1995 until November 1997. Prior to his service at Allegiance, he served in the same position at First Montgomery Bank from August 1991 until its acquisition by Sandy Spring National Bank of Maryland in December 1993, and he served as a Vice President of that organization until September 1994. Mr. Murphy has 34 years experience in the commercial banking industry. Active in community affairs, he is past president of the Bethesda-Chevy Chase Chamber of Commerce.

Susan G. Riel. Ms. Riel, 59, Executive Vice President - Chief Operating Officer of the Bank, and formerly Chief Administrative Officer, previously served as Executive Vice President - Chief Operating Officer of Columbia First Bank, FSB from 1989 until that institution s acquisition by First Union Bancorp in 1995. Ms. Riel has over 29 years of experience in the commercial banking industry.

Barry C. Watkins. Mr. Watkins, 40 has served as the President - District of Columbia and Northern Virginia Operations since joining the Bank in August 2008. Prior to joining the Bank, he served as President and Chief Executive Officer of F&T Bank from April 2004. Prior to joining F&T Bank, Mr. Watkins was a Senior Vice President and City Executive for BB&T, D.C. Metro Region. Mr. Watkins was also previously with Franklin National Bank, which was acquired by BB&T in 1998.

Janice L. Williams. Ms. Williams, 52, Executive Vice President and Chief Credit Officer of the Bank, has been employed with the Bank as Credit Officer, Senior Credit Officer, and Chief Credit Officer for the past 6 years. Prior to employment with the Bank, Ms. Williams served with Capital Bank, Sequoia Bank, and American Security Bank. Additionally, Ms. Williams, a graduate of Georgetown University Law Center and a Member of the Maryland Bar, was previously employed in the private practice of law in Maryland.

Compensation Disclosure and Analysis

In this Compensation Discussion and Analysis, we give an overview and analysis of our compensation program and policies, the material compensation decisions we have made under those programs and policies, and the material factors that we considered in making those decisions. Later in this proxy statement under the heading Executive Compensation Tables, you will find a series of tables containing specific information about the compensation earned or paid in 2008 to Mr. Paul, the Chief Executive Officer of the Company, Mr. Langmead, the Chief Financial Officer, and the three most highly compensated executive officers of the Company (including officers of the Bank) who received total compensation of $100,000 or more during the fiscal year ended December 31, 2008, referred to as our named executive officers or named executives.

Compensation Objectives. The primary objectives of the Board of Directors with respect to executive compensation is to tie annual and long-term cash and stock incentives to the achievement of measurable Company and individual performance objectives, thereby aligning the named executive s incentive with maintaining and increasing shareholder value. We attempt to achieve these objectives through pay for performance compensation policies and programs that put a significant portion of our named executives officers overall compensation at risk; potentially 30-45% of total compensation is in the form of cash bonuses and equity compensation awards to focus executives on both short and long term financial performance. We also recognize that ours is a highly competitive market for executive officers, and that we compete for personnel against local community banks and against national, regional and local institutions that operate in the entire metropolitan Washington D.C. area, and in surrounding markets.

Compensation Philosophy. Our compensation philosophy is to reward our executives with total compensation at or above market commensurate with our performance. In the past, and prior to the acquisition of Fidelity we viewed our executives as peers with similar levels of responsibility, and as a result we targeted the same base salary levels for this group of executives. We differentiated the achievements of each executive officer s performance in their cash bonus and equity compensation awards. We also, targeted the market 75th percentile for base salaries due to our competitive market. Going forward, we will target base salaries at the market median. Our incentive programs will be structured to pay cash incentives and equity awards at the market median for budgeted performance and at the 75th percentile or higher when performance expectations are exceeded.

The Role of Consultants. In 2008, the Company s Compensation Committee (in this Compensation Disclosure and Analysis, the Committee) worked with Amalfi Consulting LLC. (Amalfi), an independent executive compensation consulting firm specializing in the financial services industry. The Committee engaged Amalfi consulting to assist with a competitive analysis of executive compensation in the fourth quarter of 2008. Amalfi consultants report directly to the Committee. The Committee considered competitive proposals from other firms before retaining Amalfi. Amalfi does not provide any other services to the Company.

The Role of Management. Input from the Chief Executive Officer is considered by the Committee and the Bank Compensation Committee regarding the criteria to be used to determine base salary, bonuses and other benefits for named executive officers other than the Chief Executive Officer. Although input from the Chief Executive Officer is considered by the Committee, the Committee exercises final authority on compensation matters for all named executive officers. The Chief Executive Officer is excused from committee meetings during discussion and deliberations regarding his own compensation.

Peer Groups & Benchmarking. In the fourth quarter of 2008, Amalfi was engaged to evaluate whether the Company s executive compensation levels were competitive and to make specific compensation plan recommendations with respect to changes in executive compensation programs. Amalfi utilized 2008 proxy data for a peer group of 17 publicly traded banks, the selection of which was based upon similarities in asset size, markets and region. As proxies filed in 2008 reflected compensation earned in 2007, the study used a 4% annual aging factor. For 2008 our peer group increased in median asset size as compared to 2007 to reflect the Company s increased size following the acquisition of Fidelity.

Peer Group. The 2008 proxy peer group is listed below. Financial data is the data that was available at the time of the study (December 2008) and reflects 3rd quarter 2008 financials. As of September 30, 2008, the Company s performance was strong compared to this peer group.

Company Name	City	State	Total Assets MRQ ($000)	Asset Growth 3 Yr (%)	ROAA MRQ (%)	ROAE MRQ (%)	Net Interest Margin MRQ (%)	Efficiency Ratio MRQ (%)	NPAs/ Assets MRQ (%)	Core EPS Growth MRQ (%)	Total Return 1 Year (%)
Sandy Spring Bancorp, Inc.	Olney	MD	3,195,117	31.8	0.68	6.68	4.0	54.6	2.08	-35.5	-33.7
TowneBank	Portsmouth	VA	3,015,506	72.7	0.90	8.37	3.6	68.9	0.09	-4.3	24.6
StellarOne Corporation	Charlottesville	VA	2,985,858	98.4	0.27	2.22	4.1	64.7	1.57	-72.0	-5.2
First Bancorp	Troy	NC	2,700,666	41.4	0.96	11.15	3.8	54.1	0.89	-7.5	-7.6
Virginia Commerce Bancorp, Inc.	Arlington	VA	2,661,688	105.4	0.40	6.03	3.4	47.9	2.92	-61.4	-64.4
Pennsylvania Commerce Bancorp, Inc.	Harrisburg	PA	2,125,279	54.9	0.67	12.03	4.2	73.0	0.57	85.7	-7.4
NewBridge Bancorp	Greensboro	NC	2,108,294	124.9	-0.31	-3.39	3.4	83.3	1.98	NM	-76.6
FNB United Corp.	Asheboro	NC	2,071,126	120.9	-0.33	-3.17	3.5	69.6	2.22	NM	-70.6
Cardinal Financial Corporation	McLean	VA	1,638,192	39.5	-1.09	-11.03	3.0	77.2	0.00	NM	-47.6
First United Corporation	Oakland	MD	1,629,546	19.9	0.46	8.09	3.7	56.2	1.83	-48.3	-18.1
Capital Bank Corporation	Raleigh	NC	1,594,402	72.0	0.51	4.83	3.2	73.5	0.47	-38.0	-52.8
First Mariner Bancorp	Baltimore	MD	1,276,336	-0.3	-0.71	-15.03	4.2	99.9	5.29	NM	-80.2
Shore Bancshares, Inc.	Easton	MD	1,037,026	21.0	1.20	9.86	4.1	63.5	0.72	-19.1	-8.6
Commonwealth Bankshares, Inc.	Norfolk	VA	1,019,742	125.4	-3.68	-31.33	4.0	42.0	2.83	NM	-55.6
Republic First Bancorp, Inc.	Philadelphia	PA	964,732	41.1	0.66	7.81	3.5	63.3	1.64	16.7	-3.3

Severn Bancorp, Inc.	Annapolis	MD	964,279	36.8	0.24	2.40	3.1	50.7	5.42	-75.0	-51.4
Hampton Roads Bankshares, Inc.	Norfolk	VA	917,825	63.4	0.79	6.32	3.8	65.9	0.30	-16.8	-22.7
Average			**1,876,801**	**62.9**	**0.10**	**1.28**	**3.7**	**65.2**	**1.81**	**-23.0**	**-34.2**
25th Percentile			**1,037,026**	**36.8**	**-0.31**	**-3.17**	**3.4**	**73.0**	**2.22**	**-51.6**	**-55.6**
50th Percentile			**1,638,192**	**54.9**	**0.46**	**6.03**	**3.7**	**64.7**	**1.64**	**-27.3**	**-33.7**
75th Percentile			**2,661,688**	**98.4**	**0.68**	**8.09**	**4.0**	**54.6**	**0.57**	**-6.7**	**-7.6**
Eagle Bancorp, Inc.	Bethesda	MD	1,457,545	125.3	0.82	10.02	4.1	62.7	1.43	NA	-42.3
Percent Rank			**36%**	**99%**	**83%**	**88%**	**89%**	**63%**	**58%**	**NA**	**46%**

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Market Comparison. The 2008 Amalfi executive compensation study found that the Company was paying below market median base salaries for the Chief Executive Officer and Chief Operating Officer of the Bank, while the rest of the named executive officers had base salaries near the 75th percentile, consistent with our compensation philosophy. Cash compensation was also below the market median for the Chief Executive Officer and Chief Operating Officer of the Bank due to their below market base salaries. Annual incentive opportunity levels were slightly below market for these same two executives. The other named executives had market competitive annual incentive award opportunities and their cash compensation was generally between the market median and market 75th percentiles. Equity grants for each of the named executives were market competitive. Based on the Amalfi study and the current challenges facing the Company and community banking industry we are implementing the following changes to our compensation programs for 2009:

- Revise our compensation philosophy to target base salaries at the market median, although no base salary increases have been provided to named executive officers in 2009.

- Benchmark executive officers compensation against market based on their functional area and responsibility level, as opposed to paying executive officers the same salaries as has been our past practice.

- Revise the annual Senior Executive Incentive Plan to ensure target and maximum award opportunities are market competitive.

- Include Mr. Paul, the Chairman and Chief Executive Officer, in the Senior Executive Incentive Plan. In 2008 and previous years, his annual cash bonus was at the discretion of the Board.

- Refine the annual Senior Executive Incentive Plan to customize goals to better reflect individual position responsibilities. In the past, named executives, with exception of Mr. Paul, had the same company-wide goals with different weightings.

Compensation Components. The key components of our 2008 executive compensation program for all named executive officers other than Mr. Paul consisted of a base salary, performance-based compensation plans, including our Senior Executive Incentive Plan, a performance-based cash bonus plan, and the 2006 Stock Plan, a long-term equity based compensation plan, potential discretionary cash bonuses, and a 401(k) Plan. Base salary and bonus and incentive payments, or cash compensation, comprise the most substantial portions of total executive compensation. For Mr. Paul, whose formal responsibilities have increased in recent years, base salary is the principal form of compensation, along with awards of equity based compensation, which ties a significant portion of his compensation to increases in shareholder value as reflected in long term increases in the price of the common stock.

Base Salary. The Board of Directors believes that base salary for named executive officers should be targeted at market competitive levels. Base salaries are reviewed annually and adjusted from time to time, based on our review of market data and assessment of Company and individual executive performance. In 2008, the following base salary increases were provided for the named executive officers.

Name	Title	2007 Base	2008 Base	Increase
Ronald D. Paul	Chairman and Chief Executive Officer	$ 350,000	$ 350,000	0.00%
Martha Foulon-Tonat	EVP Chief Lending Officer	$ 231,525	$ 243,100	5.00%
James H. Langmead	EVP Chief Financial Officer	$ 231,525	$ 243,100	5.00%
Thomas D. Murphy	President Montgomery County Division	$ 231,525	$ 243,100	5.00%
Susan G. Riel	EVP Chief Operating Officer of the Bank	$ 231,525	$ 243,100	5.00%

Going forward, we have changed our compensation philosophy and will target base salaries for named executives at the market median (50th percentile). Based on the market review that was conducted by Amalfi in 2008, Mr. Paul and Ms. Riel have base salaries that are below the market median, however both have declined base salary increases for 2009. The rest of the named executives have base salaries that are at or above the market median, therefore they have not received base salary increases in 2009.

Senior Executive Incentive Plan. The Senior Executive Incentive Plan was established to maintain the competitiveness of our total cash compensation for executives compared to peers. In 2008, executive management, including all named executive officers other than Mr. Paul, participated in the Senior Executive Incentive Plan, the annual incentive bonus plan for senior executives. Under the plan, an executive is eligible to earn a percentage of his or her base salary based on achievement of Company and individual performance objectives. During 2008, participating executives could earn up to 23% of the base salary in bonus, based upon Company wide and individual performance metrics, which can vary each year. Performance weightings for 2008 are show below.

Weighting of Performance Criteria by NEO

Name	Bank-Wide Performance	Personal Performance
Martha Foulon-Tonat	70%	30%
James H. Langmead	70%	30%
Thomas D. Murphy	70%	30%
Susan G. Riel	70%	30%

In order for the executive to receive any portion of the potential aggregate bonus payout, the Company must first meet established income goals. Then, component portions of the aggregate potential bonus may be earned, based upon the achievement of designated performance targets as summarized in the table below. The measures to which each named executive s award is subject may vary depending on the officer s area of responsibility.

Senior Executive Incentive Bonus Plan Bank-Wide Goals

Goal	Target	2008 Actual Results (1)
Non Interest Income to Total Income	12.07%	10.52%
Net Interest Margin	4.10%	4.26%
Efficiency Ratio	63.33%	62.21%
Total Loans/Loan Growth	$ 747,397,945	$ 762,418,312
Non Interest Expense Budget	$ 16,809,967	$ 16,738,753

(1) The Board agreed to review the Company s performance at the end of August 2008 prior to the acquisition of Fidelity. 2008 incentive awards were based on pre-merger financials.

The target level for net income and deposit growth are not disclosed in order to prevent competitive harm to the Company. Bonus target levels for all factors are based upon the Company s budget goals, which are established by determining the expected financial position and results of operations of the Company at the end of the budget year, in light of the available resources of the Company, market conditions, anticipated interest rates, competitive factors and other anticipated economic and financial conditions, and adjusting the budgeted results of operation, deposit and loan totals and performance ratios to reflect improvement. The Committee and Board of Directors considers these goals aggressive in regards to expected performance and industry standards, and they are generally in line with the Company s five year historical growth rates.

No amounts are payable if the Company does not first achieve at least 80% of the Company s consolidated net income goal. Each component portion of the potential bonus is subject to payment only if the target is met or exceeded in total, with no provision for partial or graduated payments. The actual bonus which an individual named executive officer may receive may therefore be equal to or below the indicated amount or percentage. In addition, the Board of Directors reserves the right to grant a discretionary bonus in addition to the performance related bonus, or to award all or a portion of the aggregate potential bonus where the targets are not met, based upon extenuating factors.

In 2008, we achieved at least 80% of the net income target and achieved target performance in four of the six criteria, therefore amounts paid pursuant to the Senior Executive Incentive Bonus Plan for 2008 performance ranged from 11% to 19% of base salary for the named executives. Based on the successful effectuation of the acquisition of Fidelity and the Bank s performance, the Committee approved a discretionary bonus for Mr. Paul for 2008. As noted previously, The Committee is moving away from a completely discretionary bonus for Mr. Paul. Mr. Paul will participate in the Senior Executive Incentive Bonus Plan for 2009.

Name	Title	2008 Annual Incentive Plan Target Award	Actual Payout
Martha Foulon-Tonat	EVP Chief Lending Officer	20%	17%
James H. Langmead	EVP Chief Financial Officer	20%	19%
Thomas D. Murphy	President Montgomery County Division	20%	14%
Susan G. Riel	EVP Chief Operating Officer of the Bank	20%	19%

Equity Compensation. We believe that our long-term interests are best advanced by aligning the interests of our executive officers with the interests of our shareholders. Accordingly, we may award stock options, stock appreciation rights (SARS) and restricted stock to our executive officers pursuant to our 2006 Stock Plan, which was adopted by our shareholders in 2006.

Prior to 2009, Mr. Paul has been granted only stock options in order to tie his potential compensation to increases in shareholder value as reflected in the stock price. In 2009 he received an award of restricted stock, which also ties a portion of his potential compensation to increases in shareholder value. The Company continues to grant annual stock option awards which are at the discretion of the Board and determined at the end of the year based on the Company s performance. In 2008, all named executive officers received grants of stock options, with three-year installment vesting. These are presented later in the Grants of Plan-Based Awards Table.

In addition to our annual grants of stock options or stock appreciation rights, we implemented a three-year performance plan in 2006 for all named executives other than Mr. Paul. This plan provided for awards of restricted stock, the vesting of which was performance based and linked to the bank-wide goal of three year average net income. All named executives had the same earning potential, which ranged from 5% to 20% of their base salary depending on the our average net income as measured at the end of 2008. This performance period expired on December 31, 2008. The restricted stock awards under this plan did not vest due to failure to hit the threshold three-year performance goal, set forth in the table below.

	2006-2008 Net Income Goals		
	Minimum	Target	Maximum
2006	$ 7,558,400	$ 9,448,000	$ 10,392,800
2007	$ 9,070,400	$ 11,338,000	$ 12,471,800
2008	$ 10,884,800	$ 13,606,000	$ 14,966,600
3-year average	$ 9,171,200	$ 11,464,000	$ 12,610,400
	Award Potential as Percent of Base Salary		
	5%	10%	20%

Additional Compensation for 2008. In 2009 the Board approved a one time equity award in the form of Incentive Stock Options to named executives to reward them for their role in the acquisition of Fidelity , which took place in 2008. The options awarded were based on the overall performance of the individual executive and the role the individual executive played in the acquisition, the time devoted to the acquisition, and the day to day responsibilities the executive had during this period in addition to the acquisition. The total economic value of these awards ranged from $10,000 to $100,000 based on each executive s involvement and time commitment to merger related issues. These awards have a five year ratable vesting schedule.

Timing and Pricing of Equity Awards. Equity compensation awards for named executive officers and employees are generally approved in January or early February of each year, or in connection with revisions to annual compensation. Awards may be made periodically for new hires during the year. Awards are based on a number of criteria including the Bank s performance, the relative rank of the executive within the Company and his or her specific contributions to the success of the Company.

The grant date is established when the Committee approves the grant and all key terms have been established. We set the exercise price for our stock options as the average stock price on the grant date. Our equity award process is independent of any consideration of the timing of the release of material nonpublic information, including with respect to the determination of grant dates or stock option exercise prices. Similarly, we expect that the release of material nonpublic information will not be timed with the purpose or intent to affect the value of executive compensation.

401(k) Plan. Our 401(k) Plan allows all officers and employees of the Company working 1,000 hours or more in a calendar year to defer a portion of their compensation, and provides a match of up to 3% of their base salaries, subject to certain IRS limitations. While the decision to match employee contributions is discretionary, all employees receive the same percentage match. Effective February 2009, we have reduced our match to 1.25%.

Additional Employee Benefit Plans. The Bank also provides additional benefit programs to all employees including health and dental insurance, life and long term and short term disability insurance.

Employee Stock Purchase Plan. The Company also maintained the 2004 Employee Stock Purchase Plan (the ESPP). No grants were made under the ESPP in 2007 or in 2008. The ESPP expired in June 2008.

Employment and Severance Arrangements. Each of our named executive officers has an employment agreement which contains provisions for payments upon a change in control of the Company, and provides for noncompetition and nonsolicitation provisions benefiting the Company under certain circumstances. These agreements are described in detail under the caption Employment Agreements. The Committee believes that the agreements provide continuity of executive management, employment security which is conducive to maximum employee effort and valuable protections for the Company and its executive officers. All agreements were amended to conform to the executive compensation requirements of the Emergency Economic Stimulus Act of 2008 (EESA), discussed in greater detail below, and the Securities Purchase Agreement (Purchase Agreement) executed in connection with the Company s issuance of preferred stock and warrants to the United States Department of the Treasury (the Treasury) pursuant to the TARP Capital Purchase Program (the TARP or CPP).

Inter-Relationship of Elements of Total Compensation. The various elements of the compensation package are not interrelated. For example, if it does not appear as though the target bonus will be achieved, the size of equity compensation awards will not be affected. While the potential size of an element of compensation may be expressed as a percentage of base or total compensation, there is no significant interplay of the various elements of total compensation between each other. If awards that are granted in one year become less valuable, or less likely of vesting, the amount of the bonus or base compensation to be paid the executive officer for the next year is not impacted. Similarly, if equity awards become extremely valuable, the amount of base compensation or bonus to be awarded for the next year is not affected. While the Board has discretion to make exceptions to any base compensation or bonus payouts under existing plans, it has not approved any exceptions to the plans with regard to any executive officers.

Equity Ownership Guidelines. We have no equity or security ownership requirements or guidelines for executive officers, however, all of the executive officers own common stock, and options to purchase common stock, SARs payable in common stock or performance based awards of restricted stock pursuant to our equity compensation plans.

Emergency Economic Stabilization Act of 2008. As noted above, the Company sold shares of a series of its preferred stock and common stock purchase warrants to the Treasury under the CPP established under EESA. As a result of this transaction, the Company became subject to certain executive compensation requirements under the CPP, the EESA, and Treasury regulations. Those requirements apply the Company s named executive officers of the Company, as they be determined from time to time (collectively, the SEOs). Those requirements are:

- A prohibition on providing incentive compensation arrangements that encourage SEOs to take unnecessary and excessive risks.

- The compensation committee must review SEO incentive compensation arrangements with the senior risk officers to ensure that SEOs are not encouraged to take such risks and must meet annually with the senior risk officers to discuss and review the relationship between risk management policies and practices and the SEO incentive compensation arrangements.

- Recovery of any bonus or incentive compensation paid to an SEO where the payment was later found to have been based on statements of earnings, gains, or other criteria which prove to be materially inaccurate.

- Limits on the amounts that can be paid under change in control and similar agreements which provide payments upon separation of service.

- Limits on the Company s tax deduction for compensation paid to any SEO to $500,000 annually.

American Reinvestment and Recovery Act of 2009. On February 17, 2009, the President of the United States signed into law the American Reinvestment and Recovery Act of 2009 (ARRA). ARRA contains expansive new restrictions on executive compensation for participants in the CPP. The ARRA amends the executive compensation and corporate governance provisions of EESA.

Key features of the ARRA are:

- A prohibition of the payment of any bonus, retention award, or incentive compensation to the five most highly compensated employees of the Company (whether or not SEOs) for as long as any CPP related obligations are outstanding. The prohibition does not apply to bonuses payable pursuant to employment agreements in effect prior to February 11, 2009.

- Long-term restricted stock is excluded from ARRA s bonus prohibition, but only to the extent the value of the stock does not exceed one-third of the total amount of annual compensation of the employee receiving the stock, the stock does not fully vest until after all obligations under financial assistance provided under the TARP is outstanding (excluding any period in which the federal government only holds warrants to purchase common stock, referred to as while assistance is outstanding), and any other conditions which the Treasury may specify have been met.

- A prohibition on any payment to any SEO or any of the next five most highly-compensated employees upon termination of employment for any reason for while assistance is outstanding.

- Recovery of any bonus or other incentive payment made on the basis of materially inaccurate financial or other performance criteria that is paid to the next twenty most highly compensated employees in addition to the SEOs.

- Limits on compensation that exclude incentives for SEOs to take unnecessary and excessive risks that threaten the value of the Company while assistance is outstanding.

- Prohibition on compensation plans that encourage earnings manipulation in order to enhance any employee s compensation.

- A requirement that the Chief Executive Officer and Chief Financial Officer provide a written certification of compliance with the executive compensation restrictions in ARRA in the Company s annual filings with the Securities and Exchange Commission (the SEC).

- Implementation of a company-wide policy regarding excessive or luxury expenditures.

- Review by Treasury of bonuses, retention awards, and other compensation paid to the SEOs and the next twenty most highly-compensated employees of each company receiving CPP assistance before ARRA was enacted, and that Treasury seek to negotiate with the CPP recipient and affected employees for reimbursement if it finds any such payments were inconsistent with the CPP or otherwise in conflict with the public interest.

The ARRA requires both the Treasury and the SEC to issue rules to implement these new executive compensation restrictions, and as such the requirements remain subject to clarification, revision or expansion. After the Treasury and the SEC publish these rules, the Committee will consider these new limits on executive compensation and determine how they impact the Company s executive compensation program. While the Committee believes that it does not have any compensation policies which are inconsistent with EESA or the ARRA, it expects that the Company will seek changes to its compensation policies and agreements in order to meet the requirements of these statutes and regulations while assistance is outstanding.

Compensation Committee Report

We have reviewed and discussed the foregoing Compensation Disclosure and Analysis with management. Based on our review and discussion with management we have recommended to the Board of Directors that the Compensation Disclosure and Analysis be included in this proxy statement and incorporated by reference in our annual report on Form 10-K for the year ended December 31, 2008.

The Committee certifies that it has reviewed with the Company s senior risk officers the incentive compensation arrangements for named executive officers and has made reasonable efforts to ensure that such arrangements do not encourage such officers to take unnecessary and excessive risks that threaten the value of the financial institution.

Members of the Company s Compensation Committee

Leonard L. Abel	Robert P. Pincus
Leslie M. Alperstein, Ph.D.	Norman R. Pozez
Dudley C. Dworken	Donald R. Rogers
Harvey M. Goodman	Leland M. Weinstein
Philip N. Margolius, Chairman	

This report shall not be deemed to be incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, and shall not otherwise be deemed filed under such acts.

Executive Compensation Tables

The following table sets forth a comprehensive overview of the compensation for Mr. Paul, the President of the Company, Mr. Langmead, the Chief Financial Officer of the Company, and the three most highly compensated executive officers of the Company (including officers of the Bank) who received total compensation of $100,000 or more during the fiscal year ended December 31, 2008.

Summary Compensation Table

Name and Principal Position	**Year**	**Salary**	**Bonus(1)**	**Stock Awards(2)**	**Option Awards(2)**	**Non Equity Incentive Plan Compensation**	**All Other Compensation**	**Total**
Ronald D. Paul, President and Chief	2008	$ 350,000	$ 74,115	$	$ 65,273	$	$	$ 489,388
Executive Officer of the Company;	2007							
Chief		$ 350,000	$	$	$ 74,228	$	$	$ 424,228
Executive Officer of the Bank	2006	$ 197,827	$	$	$ 24,308	$	$	$ 222,235
James H. Langmead, Executive Vice	2008	$ 243,100	$	$ (7,595)	$ 14,870	$ 44,118	$ 20,465(3)	$ 314,758
President, Chief Financial Officer of								
the	2007	$ 231,525	$ 20,000	$ 6,829	$ 6,029	$	$ 19,697(4)	$ 284,080
Company and Bank	2006	$ 207,595	$ 14,327	$ 7,871	$ 5,211	$	$ 5,691(5)	$ 240,695
Martha Foulon-Tonat, Executive								
Vice	2008	$ 243,100	$	$ (9,311)	$ 14,461	$ 39,334	$ 16,898(6)	$ 304,482
President Chief Lending Officer of	2007							
the		$ 231,525	$ 12,500	$ 7,090	$ 6,429	$	$ 16,653(7)	$ 274,197
Bank	2006	$ 207,595	$ 12,500	$ 9,123	$ 5,511	$	$ 14,726(8)	$ 249,455
Thomas D. Murphy, Executive Vice	2008	$ 243,100	$	$ (9,311)	$ 13,627	$ 33,597	$ 21,447(9)	$ 303,294
President of the Company; President	2007						(10)	
-		$ 231,525	$ 12,500	$ 7,090	$ 6,429	$	$ 21,479	$ 279,023

Montgomery County Division of the	2006	$	220,500	$	12,500	$	9,123	$	6,075	$		$	19,922(11)	$	268,120