

Kearny Financial Corp.
Form DEF 14A
September 20, 2010

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

KEARNY FINANCIAL CORP.
(Name of Registrant as Specified in its Charter)

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

Payment of filing fee (Check the appropriate box):

- 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):

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Form or Schedule and the date of its filing.

(1) Amount previously paid:

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(3) Filing Party:

(4) Date Filed:

September 20, 2010

Dear Fellow Shareholder:

You are cordially invited to attend the 2010 Annual Meeting of Shareholders of Kearny Financial Corp. to be held at our corporate headquarters located at 120 Passaic Avenue in Fairfield, New Jersey on Thursday, October 21, 2010 at 10:00 a.m., Eastern Time. The attached notice and proxy statement describe the formal business to be transacted at the meeting.

Whether or not you plan to attend the meeting, please sign and date the enclosed proxy card and return it in the accompanying postage-paid return envelope as quickly as possible. This will not prevent you from voting at the meeting in person, but will assure that your vote is counted if you are unable to attend.

On behalf of the Board of Directors and the officers and employees of Kearny Financial Corp. and its subsidiary Kearny Federal Savings Bank, I would like to take this opportunity to thank our shareholders for their continued support of Kearny Financial Corp. We look forward to seeing you at the meeting.

Sincerely

/s/ John N. Hopkins

John N. Hopkins
Chief Executive Officer

120 Passaic Avenue, Fairfield, NJ 07004

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KEARNY FINANCIAL CORP.
120 Passaic Avenue
Fairfield, New Jersey 07004
(973) 244-4500

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the 2010 Annual Meeting of Shareholders (the "Annual Meeting") of Kearny Financial Corp. (the "Company") will be held at the Company's offices located at 120 Passaic Avenue, Fairfield, New Jersey on Thursday, October 21, 2010 at 10:00 a.m., Eastern Time. The Annual Meeting is for the purpose of considering and acting upon the following matters:

1. The election of three directors; and
2. The ratification of the appointment of ParenteBeard LLC ("ParenteBeard") as the Company's independent auditor for the fiscal year ending June 30, 2011.

Such other business as may properly come before the Annual Meeting or any adjournments thereof may also be acted upon. The Board of Directors is not aware of any other business to come before the Annual Meeting.

The Board of Directors of the Company has determined that the matters to be considered at the Annual Meeting, described in this Notice of Annual Meeting and the accompanying Proxy Statement, are in the best interest of the Company and its shareholders. For the reasons set forth in the Proxy Statement, the Board of Directors unanimously recommends a vote "FOR" each of its nominees and "FOR" the ratification of ParenteBeard LLC as independent auditors.

Any action may be taken on any one of the foregoing proposals at the Annual Meeting on the date specified above, or on any date or dates to which, by original or later adjournment, the Annual Meeting may be adjourned. Pursuant to the Company's Bylaws, the Board of Directors has fixed the close of business on September 3, 2010 as the record date for determination of the shareholders entitled to notice of and to vote at the Annual Meeting and any adjournments thereof.

Whether or not you plan to attend the Annual Meeting, you are requested to sign, date and return the accompanying proxy in the enclosed postage-paid envelope. You may revoke your proxy by filing a written revocation or a duly executed proxy bearing a later date with the Corporate Secretary. If you are present at the Annual Meeting, you may revoke your proxy and vote in person on each matter brought before the Annual Meeting. To obtain directions to attend the Annual Meeting and vote in person, please visit our website at <http://www.sn1.com/irweblinkx/corporateprofile.aspx?IID=4072225>. However, if you are a shareholder whose shares are not registered in your own name, you will need additional documentation from your record holder to vote in person at the Annual Meeting.

BY ORDER OF THE BOARD OF DIRECTORS
/s/ Sharon Jones
Sharon Jones
Corporate Secretary

Fairfield, New Jersey
September 20, 2010

Important Notice Regarding Internet
Availability of Proxy Materials
For the Shareholder Meeting to be
Held on October 21, 2010
The Proxy Statement and Annual Report to
Shareholders are available at

<http://www.sn1.com/IRWebLinkX/GenPage.aspx?IID=4072225&gkp=203675>

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KEARNY FINANCIAL CORP.
120 Passaic Avenue
Fairfield, New Jersey 07004

PROXY STATEMENT
FOR THE
2010 ANNUAL MEETING OF SHAREHOLDERS

GENERAL

This Proxy Statement is being furnished to the shareholders of Kearny Financial Corp. (the “Company”) in connection with the solicitation by the Board of Directors of proxies for use at the 2010 Annual Meeting of Shareholders, to be held at the Company’s offices located at 120 Passaic Avenue, Fairfield, New Jersey on Thursday, October 21, 2010 at 10:00 a.m., Eastern Time (the “Annual Meeting”). This Proxy Statement and the accompanying form of proxy are first being mailed to shareholders on or about September 20, 2010.

VOTING AND PROXY PROCEDURES

Who Can Vote at the Annual Meeting

You are only entitled to vote at the Annual Meeting if our records show that you held shares of our common stock, \$.10 par value (the “Common Stock”), as of the close of business on September 3, 2010 (the “Record Date”). If your shares are held by a broker or other intermediary, you can only vote your shares in person at the Annual Meeting if you have a properly executed proxy from the record holder of your shares (or their designee). As of the Record Date, a total of 68,000,777 shares of Common Stock were outstanding.

Voting by Proxy

The Board of Directors is sending you this Proxy Statement for the purpose of requesting that you allow your shares of Common Stock to be represented at the Annual Meeting by the persons named in the enclosed Proxy Card. All shares of Common Stock represented at the Annual Meeting by properly executed and dated proxies will be voted according to the instructions indicated on the Proxy Card. If you sign, date and return the Proxy Card without giving voting instructions, your shares will be voted as recommended by the Company’s Board of Directors. The Board of Directors recommends a vote “FOR” each of its nominees for director and a vote “FOR” ratification of the appointment of ParenteBeard LLC as the Company’s independent auditor for the 2011 fiscal year.

If any matters not described in this Proxy Statement are properly presented at the Annual Meeting, the persons named in the Proxy Card will vote your shares as determined by a majority of the Board of Directors. If the Annual Meeting is postponed or adjourned, your Common Stock may be voted by the persons named in the Proxy Card on the new Annual Meeting dates as well, unless you have revoked your proxy. The Company does not know of any other matters

to be presented at the Annual Meeting.

You may revoke your proxy at any time before the vote is taken at the Annual Meeting. To revoke your proxy you must either advise the Company's Secretary in writing before your Common

1

Stock has been voted at the Annual Meeting, deliver a later-dated proxy, or attend the Annual Meeting and vote your shares in person. Attendance at the Annual Meeting will not in itself revoke your proxy.

If you hold your Common Stock in “street name,” you will receive instructions from your broker, bank or other nominee that you must follow in order to have your shares voted. Your broker, bank or other nominee may allow you to deliver your voting instructions via the telephone or the Internet. Please see the instruction form provided by your broker, bank or other nominee that accompanies this Proxy Statement. If you wish to change your voting instructions after you have returned a voting instruction form to your broker, bank or other nominee, you must contact your broker, bank or other nominee.

Internet Access to Proxy Materials

Copies of this Proxy Statement and the 2010 Annual Report to Stockholders are available on the internet at <http://www.snl.com/IRWebLinkX/GenPage.aspx?IID=4072225&gkp=203675>. Stockholders can elect to receive future proxy statements and annual reports over the Internet rather than in printed form. Stockholders of record can make this election by calling toll free to 1-800-273-3406 or sending an e-mail to cmontanaro@kearnyfederalsavings.net. If you hold your shares in street name, please refer to the information provided by your broker, bank or other nominee for instructions on how to elect to access future proxy materials over the Internet.

Participants in the Kearny Federal Savings Bank Employee Stock Ownership Plan and Employees’ Savings and Profit Sharing Plan

If you are a participant in the Kearny Federal Savings Bank Employee Stock Ownership Plan (the “ESOP”) or hold Common Stock through the Kearny Federal Savings Bank Employees’ Savings and Profit Sharing Plan (the “401(k) Plan”), you will receive a voting instruction form from each plan that reflects all shares you may vote under these plans. Under the terms of the ESOP, all shares held by the ESOP are voted by the ESOP trustees, but each participant in the ESOP may direct the trustees on how to vote the shares of Common Stock allocated to his or her account. Unallocated shares and allocated shares for which no timely voting instructions are received will be voted by the ESOP trustees as directed by the ESOP Committee consisting of the outside directors of the Board. Under the terms of the 401(k) Plan, you are entitled to direct the trustee how to vote the shares of Common Stock credited to your account in the 401(k) Plan. The 401(k) Plan trustee will vote all shares for which it does not receive timely instructions from participants at the direction of the Company’s Board of Directors or the Plan Committee of the Board. The deadline for returning your voting instruction form to the trustees of the ESOP and 401(k) Plan is October 15, 2010.

Vote Required

The Annual Meeting can only transact business if a majority of the outstanding shares of Common Stock entitled to vote is represented at the Annual Meeting. If you return a valid proxy or attend the Annual Meeting in person, your shares will be counted for purposes of determining whether there is a quorum even if you abstain or withhold your vote or do not vote your shares at the Annual Meeting. Broker non-votes will be counted for purposes of determining the existence of a quorum. A broker non-vote occurs when a broker, bank or other nominee holding shares for a beneficial owner does not have discretionary voting power with respect to the agenda item and has not received voting instructions from the beneficial owner.

In voting on the election of directors, you may vote in favor of all nominees, withhold votes as to all nominees, or vote in favor of all nominees except nominees you specify as to which you withhold your vote. There is no cumulative voting in the election of directors. Directors must be elected by a plurality of

the votes cast at the Annual Meeting. This means that the nominees receiving the greatest number of votes will be elected. Votes that are withheld and broker non-votes will have no effect on the outcome of the election.

In voting to ratify the appointment of ParenteBeard LLC as independent auditors for the 2011 fiscal year, you may vote in favor of the proposal, against the proposal or abstain from voting. To be approved, this proposal requires the affirmative vote of a majority of the votes cast at the Annual Meeting. Broker non-votes and abstentions will not be counted as votes cast on the proposal and therefore will have no effect on the outcome of the voting on this proposal.

PRINCIPAL HOLDERS OF OUR COMMON STOCK

The following table sets forth, as of the Record Date, certain information as to those persons who were known to be the beneficial owners of more than five percent (5%) of the Company's outstanding shares of Common Stock and as to the shares of Common Stock beneficially owned by all executive officers and directors of the Company as a group.

Name and Address of Beneficial Owner	Amount and Nature of of Beneficial Ownership (1)	Percent of Shares of Common Stock Outstanding (2)
Kearny MHC 120 Passaic Avenue Fairfield, New Jersey 07004	50,916,250	74.9%
All directors and executive officers as a group (16 persons)	3,780,869 (3)	5.56%

- (1) For purposes of this table, a person is deemed to be the beneficial owner of shares of Common Stock if he or she has or shares voting or investment power with respect to such shares or has a right to acquire beneficial ownership at any time within 60 days from the Record Date. As used herein, "voting power" is the power to vote or direct the voting of shares and "investment power" is the power to dispose or direct the disposition of shares. Except as otherwise noted, ownership is direct, and the named persons or group exercise sole voting and investment power over the shares of the Common Stock.
- (2) In calculating the percentage ownership of an individual or group, the number of shares outstanding is deemed to include any shares which the individual or group have the right to acquire through the exercise of options or otherwise within 60 days of the Record Date.
- (3) Includes 26,731 shares which directors and executive officers have the right to acquire pursuant to options issued under the 2005 Stock Compensation and Incentive Plan which are or will become exercisable within 60 days of the Record Date, 10,692 shares of restricted stock which will vest within 60 days of the Record Date under the 2005 Stock Compensation and Incentive Plan, 103,812 shares held in the accounts of executive officers in the 401(k) Plan, and 93,861 shares allocated to the accounts of

executive officers in the ESOP. Includes 3,313 shares pledged by directors and executive officers as security. Excludes 1,054,224 shares held by the ESOP which have not been allocated to participant accounts. The non-employee directors of the Bank serve as the ESOP trustees and vote such shares as directed by the ESOP Committee, subject to such trustees' fiduciary duties.

PROPOSAL I – ELECTION OF DIRECTORS

The Company's Bylaws provide that the Board of Directors shall be divided into three classes, as nearly equal in number as possible. Each class serves for a three-year period, with approximately one-third of the directors standing for election each year. The Board of Directors currently consists of nine members. Three directors will be elected at the Annual Meeting to serve for a three-year term and until their successors have been elected and qualified.

John J. Mazur, Jr., Matthew T. McClane and John F. McGovern have been nominated by the Board of Directors for election to a three-year term to expire in 2013. Each of the nominees has consented to be named in the proxy statement and agreed to serve, if elected. It is intended that proxies solicited by the Board of Directors will, unless otherwise specified, be voted for the election of Messrs. Mazur, Jr., McClane and McGovern. If any of the nominees are unable to serve, the shares represented by all valid proxies will be voted for the election of such substitute as the Board of Directors may recommend. At this time, the Board of Directors knows of no reason why any of the nominees might be unavailable to serve.

The following table sets forth for each nominee, continuing director and executive officer of the Company and the Bank: name, positions with the Company, age, year of election or appointment, expiration of current term if a director, and beneficial ownership of the Common Stock as of the Record Date.

Name and Positions with Company	Age as of June 30, 2010	Year First Elected or Appointed(1)	Current Term to Expire	Number of Shares Beneficially Owned as of Record Date(2)
BOARD NOMINEES FOR TERM TO EXPIRE IN 2013				
John J. Mazur, Jr. Chairman of the Board, Director	56	1996	2010	248,500 (4)
Matthew T. McClane Director	73	1994	2010	199,116 (4)
John F. McGovern Director	49	1999	2010	251,311 (4)
DIRECTORS CONTINUING IN OFFICE				
Theodore J. Aanensen Director	65	1986	2011	208,508 (4)
Joseph P. Mazza Director	66	1993	2011	239,616 (4)
John F. Regan Director	65	1999	2011	225,654 (4)
Leopold W. Montanaro Director	70	2003	2012	262,116 (4)
John N. Hopkins	63	1994	2012	732,269 (3)

Chief Executive Officer and
Director
Henry S. Parow
Director

87

1976

2012

262,116 (4)

4

Name and Positions with Company	Age as of June 30, 2010	Year First Elected or Appointed(1)	Current Term to Expire	Number of Shares Beneficially Owned as of Record Date(2)
EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS				
Craig L. Montanaro President and Chief Operating Officer	44	2003	N/A	219,276 (5)
William C. Ledgerwood Executive Vice President, Chief Financial Officer	57	2002	N/A	189,959 (5)
Albert E. Gossweiler Senior Vice President, Chief Investment Officer and Treasurer	62	1999	N/A	217,315 (5)