

United States Natural Gas Fund, LP  
Form 10-K  
March 01, 2010

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-K

Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2009.

or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from                    to                    .

Commission file number: 001-33096

United States Natural Gas Fund, LP  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

20-5576760  
(I.R.S. Employer  
Identification No.)

1320 Harbor Bay Parkway, Suite 145  
Alameda, California 94502  
(Address of principal executive offices) (Zip code)

(510) 522-9600  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Units  
(Title of each class)

NYSE Arca, Inc.  
(Name of exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
 Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.  Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Edgar Filing: United States Natural Gas Fund, LP - Form 10-K

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
 Yes  No

The aggregate market value of the registrant's units held by non-affiliates of the registrant as of June 30, 2009 was: \$3,742,126,000.

The registrant had 409,400,000 outstanding units as of February 26, 2010.

DOCUMENTS INCORPORATED BY REFERENCE:

None.

## UNITED STATES NATURAL GAS FUND, LP

## Table of Contents

	Page
Part I.	
Item 1. Business.	1
Item 1A. Risk Factors.	53
Item 1B. Unresolved Staff Comments.	70
Item 2. Properties.	70
Item 3. Legal Proceedings.	70
Item 4. Reserved.	70
Part II.	
Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.	70
Item 6. Selected Financial Data.	71
Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.	71
Item 7A. Quantitative and Qualitative Disclosures About Market Risk.	92
Item 8. Financial Statements and Supplementary Data.	95
Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.	115
Item 9A. Controls and Procedures.	115
Item 9B. Other Information.	116
Part III.	
Item 10. Directors, Executive Officers and Corporate Governance.	116
Item 11. Executive Compensation.	122
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.	122
Item 13. Certain Relationships and Related Transactions, and Director Independence.	122
Item 14. Principal Accountant Fees and Services.	123
Part IV.	

Item 15. Exhibits and Financial Statement Schedules.	123
Exhibit Index.	124
Signatures	125

---

Part I

Item 1. Business.

What is USNG?

The United States Natural Gas Fund, LP (“USNG”) is a Delaware limited partnership organized on September 11, 2006. USNG maintains its main business office at 1320 Harbor Bay Parkway, Suite 145, Alameda, California 94502. USNG is a commodity pool that issues limited partnership interests (“units”) traded on the NYSE Arca Inc. (the “NYSE Arca”). It operates pursuant to the terms of the Second Amended and Restated Agreement of Limited Partnership dated as of October 13, 2008 (the “LP Agreement”), which grants full management control to United States Commodity Funds LLC (the “General Partner”).

The investment objective of USNG is for the changes in percentage terms of its units’ net asset value (“NAV”) to reflect the changes in percentage terms of the spot price of natural gas delivered at the Henry Hub, Louisiana, as measured by the changes in the price of the futures contract for natural gas traded on the New York Mercantile Exchange (the “NYMEX”), less USNG’s expenses. USNG’s units began trading on April 18, 2007. The General Partner is the general partner of USNG and is responsible for the management of USNG.

Who is the General Partner?

The General Partner is a single member limited liability company that was formed in the state of Delaware on May 10, 2005. Prior to June 13, 2008, the General Partner was known as Victoria Bay Asset Management, LLC. It maintains its main business office at 1320 Harbor Bay Parkway, Suite 145, Alameda, California 94502. The General Partner is a wholly-owned subsidiary of Wainwright Holdings, Inc., a Delaware corporation (“Wainwright”). Mr. Nicholas Gerber (discussed below) controls Wainwright by virtue of his ownership of Wainwright’s shares. Wainwright is a holding company. Wainwright previously owned an insurance company organized under Bermuda law, which has been liquidated, and a registered investment adviser firm named Ameristock Corporation which has been distributed to the Wainwright shareholders. The General Partner is a member of the National Futures Association (the “NFA”) and registered as a commodity pool operator (“CPO”) with the Commodity Futures Trading Commission (the “CFTC”) on December 1, 2005.

On May 12, 2005, the General Partner formed the United States Oil Fund, LP (“USOF”), another limited partnership that is a commodity pool and issues units traded on the NYSE Arca. The investment objective of USOF is for the changes in percentage terms of its units’ NAV to reflect the changes in percentage terms of the spot price of light, sweet crude oil delivered to Cushing, Oklahoma, as measured by the changes in the price of the futures contract on light, sweet crude oil as traded on the NYMEX, less USOF’s expenses. USOF’s units began trading on April 10, 2006. The General Partner is the general partner of USOF and is responsible for the management of USOF.

On June 27, 2007, the General Partner formed the United States 12 Month Oil Fund, LP (“US12OF”), also a limited partnership that is a commodity pool and issues units traded on the NYSE Arca. The investment objective of US12OF is for the changes in percentage terms of its units’ NAV to reflect the changes in percentage terms of the spot price of light, sweet crude oil delivered to Cushing, Oklahoma, as measured by the changes in the average of the prices of 12 futures contracts on light, sweet crude oil traded on the NYMEX, consisting of the near month contract to expire and the contracts for the following 11 months, for a total of 12 consecutive months’ contracts, less US12OF’s expenses. US12OF’s units began trading on December 6, 2007. The General Partner is the general partner of US12OF and is responsible for the management of US12OF.

Edgar Filing: United States Natural Gas Fund, LP - Form 10-K

On April 12, 2007, the General Partner formed the United States Gasoline Fund, LP (“UGA”), also a limited partnership that is a commodity pool and issues units traded on the NYSE Arca. The investment objective of UGA is for the changes in percentage terms of its units’ NAV to reflect the changes in percentage terms of the price of unleaded gasoline delivered to the New York harbor, as measured by the changes in the price of the futures contract on gasoline traded on the NYMEX, less UGA’s expenses. UGA’s units began trading on February 26, 2008. The General Partner is the general partner of UGA and is responsible for the management of UGA.

On April 13, 2007, the General Partner formed the United States Heating Oil Fund, LP (“USHO”), also a limited partnership that is a commodity pool and issues units traded on the NYSE Arca. The investment objective of USHO is for the changes in percentage terms of its units’ NAV to reflect the changes in percentage terms of the spot price of heating oil (also known as No. 2 fuel oil) delivered to the New York harbor, as measured by the changes in the price of the futures contract on heating oil traded on the NYMEX, less USHO’s expenses. USHO’s units began trading on April 9, 2008. The General Partner is the general partner of USHO and is responsible for the management of USHO.

On June 30, 2008, the General Partner formed the United States Short Oil Fund, LP (“USSO”), also a limited partnership that is a commodity pool and issues units traded on the NYSE Arca. The investment objective of USSO is for the changes in percentage terms of its units’ NAV to inversely reflect the changes in percentage terms of the spot price of light, sweet crude oil delivered to Cushing, Oklahoma, as measured by the changes in the price of the futures contract on light, sweet crude oil as traded on the NYMEX, less USSO’s expenses. USSO’s units began trading on September 24, 2009. The General Partner is the general partner of USSO and is responsible for the management of USSO.

On June 27, 2007, the General Partner formed the United States 12 Month Natural Gas Fund, LP (“US12NG”), also a limited partnership that is a commodity pool and issues units traded on the NYSE Arca. The investment objective of US12NG is for the changes in percentage terms of its units’ NAV to reflect the changes in percentage terms of the spot price of natural gas delivered at the Henry Hub, Louisiana, as measured by the changes in the average of the prices of 12 futures contracts on natural gas traded on the NYMEX, consisting of the near month contract to expire and the contracts for the following 11 months, for a total of 12 consecutive months’ contracts, less US12NG’s expenses. US12NG’s units began trading on November 18, 2009. The General Partner is the general partner of US12NG and is responsible for the management of US12NG.

USOF, US12OF, UGA, USHO, USSO and US12NG are collectively referred to herein as the “Related Public Funds”. For more information about each of the Related Public Funds, investors in USNG may call 1-800-920-0259 or go online to [www.unitedstatescommodityfunds.com](http://www.unitedstatescommodityfunds.com).

The General Partner has filed a registration statement for two other exchange traded security funds, the United States Brent Oil Fund, LP (“USBO”) and the United States Commodity Index Funds Trust (“USCI”). The investment objective of USBO will be for the daily changes in percentage terms of its units’ NAV to reflect the daily changes in percentage terms of the spot price of Brent crude oil, as measured by the changes in the price of the futures contract on Brent crude oil traded on the ICE Futures, less USBO’s expenses. The investment objective of USCI will be for the daily changes in percentage terms of its units’ NAV to reflect the daily changes in percentage terms of the SummerHaven Dynamic Commodity Index (“SDCI”) Total Return, less USCI’s expenses.

The General Partner is required to evaluate the credit risk of USNG to the futures commission merchant, oversee the purchase and sale of USNG’s units by certain authorized purchasers (“Authorized Purchasers”), review daily positions and margin requirements of USNG and manage USNG’s investments. The General Partner also pays the fees of ALPS Distributors, Inc., which acts as the marketing agent for USNG (the “Marketing Agent”) and Brown Brothers Harriman & Co. (“BBH&Co.”), which acts as the administrator (the “Administrator”) and the custodian (the “Custodian”) for USNG.

Limited partners have no right to elect the General Partner on an annual or any other continuing basis. If the General Partner voluntarily withdraws, however, the holders of a majority of USNG’s outstanding units (excluding for purposes of such determination units owned, if any, by the withdrawing General Partner and its affiliates) may elect its successor. The General Partner may not be removed as general partner except upon approval by the affirmative vote of the holders of at least 66 and 2/3 percent of USNG’s outstanding units (excluding units owned, if any, by the General Partner and its affiliates), subject to the satisfaction of certain conditions set forth in the LP Agreement.

The business and affairs of the General Partner are managed by a board of directors (the “Board”), which is comprised of four management directors, some of whom are also its executive officers (the “Management Directors”), and three independent directors who meet the independent director requirements established by the NYSE Arca and the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Notwithstanding the foregoing, the Management Directors have the authority to manage the General Partner pursuant to its limited liability company agreement. Through its Management Directors, the General Partner manages the day-to-day operations of USNG. The Board has an audit committee which is made up of the three independent directors (Peter M. Robinson, Gordon L. Ellis and Malcolm R. Fobes III). For additional information relating to the audit committee, please see “Item 10. Directors, Executive Officers and Corporate Governance – Audit Committee” in this annual report on Form 10-K.



## How Does USNG Operate?

The net assets of USNG consist primarily of investments in futures contracts for natural gas, but may also consist of investment contracts for crude oil, heating oil, gasoline, and other petroleum-based fuels that are traded on the NYMEX, ICE Futures or other U.S. and foreign exchanges (collectively, “Futures Contracts”). USNG may also invest in other natural gas-related investments such as cash-settled options on Futures Contracts, forward contracts for natural gas, cleared swap contracts, and over-the-counter transactions that are based on the price of natural gas, oil and other petroleum-based fuels, Futures Contracts and indices based on the foregoing (collectively, “Other Natural Gas-Related Investments”). For convenience and unless otherwise specified, Futures Contracts and Other Natural Gas-Related Investments collectively are referred to as “Natural Gas Interests” in this annual report on Form 10-K.

USNG invests in Natural Gas Interests to the fullest extent possible without being leveraged or unable to satisfy its current or potential margin or collateral obligations with respect to its investments in Futures Contracts and Other Natural Gas-Related Investments. In pursuing this objective, the primary focus of the General Partner is the investment in Futures Contracts and the management of USNG’s investments in short-term obligations of the United States of two years or less (“Treasuries”), cash and/or cash equivalents for margining purposes and as collateral.

The investment objective of USNG is for the changes in percentage terms of its units’ NAV to reflect the changes in percentage terms of the spot price of natural gas delivered at the Henry Hub, Louisiana as measured by the changes in the Futures Contract on natural gas traded on the NYMEX that is the near month contract to expire, except when the near month contract is within two weeks of expiration, in which case the futures contract will be the next month contract to expire, less USNG’s expenses. It is not the intent of USNG to be operated in a fashion such that its NAV will equal, in dollar terms, the spot price of natural gas or any particular futures contract based on natural gas.

USNG seeks to achieve its investment objective by investing in a mix of Futures Contracts and Other Natural Gas-Related Investments such that the changes in its NAV will closely track the changes in the price of the NYMEX Futures Contract for natural gas delivered to Henry Hub Louisiana (the “Benchmark Futures Contract”). The General Partner believes changes in the price of the Benchmark Futures Contract have historically exhibited a close correlation with the changes in the spot price of natural gas. On any valuation day (a valuation day is any NYSE Arca trading day as of which USNG calculates its NAV as described herein), the Benchmark Futures Contract is the near month contract for natural gas traded on the NYMEX unless the near month contract will expire within two weeks of the valuation day, in which case the Benchmark Futures Contract is the next month contract for natural gas on the NYMEX.

As a specific benchmark, the General Partner endeavors to place USNG’s trades in Futures Contracts and Other Natural Gas-Related Investments and otherwise manage USNG’s investments so that A will be within plus/minus 10 percent of B, where:

- A is the average daily change in USNG’s NAV for any period of 30 successive valuation days; i.e., any NYSE Arca trading day as of which USNG calculates its NAV, and
  - B is the average daily change in the price of the Benchmark Futures Contract over the same period.

The General Partner believes that market arbitrage opportunities cause daily changes in USNG’s unit price on the NYSE Arca to closely track daily changes in USNG’s NAV per unit. The General Partner further believes that the daily changes in prices of the Benchmark Futures Contract have historically closely tracked the daily changes in the spot price of natural gas. The General Partner believes that the net effect of these two relationships and the expected relationship described above between USNG’s NAV and the Benchmark Futures Contract will be that the daily changes in the price of USNG’s units on the NYSE Arca will continue to closely track the daily changes in the spot price of 10,000 million British thermal units (“mmBtu”) of natural gas, less USNG’s expenses. The following two graphs

demonstrate the correlation between the daily changes in the NAV of USNG and the daily changes in the Benchmark Futures Contract both since the initial public offering of USNG's units on April 18, 2007 through December 31, 2009 and during the last thirty valuation days ended December 31, 2009.

\*PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

4

---

**\*PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.**

An investment in the units provides a means for diversifying an investor's portfolio or hedging exposure to changes in natural gas prices. An investment in the units allows both retail and institutional investors to easily gain this exposure to the natural gas market in a transparent, cost-effective manner.

The expected correlation of the price of USNG's units, USNG's NAV and the price of the Benchmark Futures Contract and the spot price of natural gas is illustrated in the following diagram:

The General Partner employs a “neutral” investment strategy intended to track changes in the price of the Benchmark Futures Contract regardless of whether the price goes up or goes down. USNG’s “neutral” investment strategy is designed to permit investors generally to purchase and sell USNG’s units for the purpose of investing indirectly in natural gas in a cost-effective manner, and/or to permit participants in the natural gas or other industries to hedge the risk of losses in their natural gas-related transactions. Accordingly, depending on the investment objective of an individual investor, the risks generally associated with investing in natural gas and/or the risks involved in hedging may exist. In addition, an investment in USNG involves the risk that the changes in the price of USNG’s units will not accurately track the changes in the Benchmark Futures Contract.

From inception to March 2009, the Benchmark Futures Contract of USNG was changed from the near month contract to expire to the next month contract to expire, starting on the date two weeks prior to the expiration of the near month contract. The change in the Benchmark Futures Contract occurred in its entirety from one day until the next day.

Since March 2009, the Benchmark Futures Contract has changed each month from the near month contract to the next month contract over a four-day period. The Benchmark Futures Contract changes starting at the end of the day on the date two weeks prior to expiration of the near month contract for that month. During the first three days of the period, the applicable value of the Benchmark Futures Contract is based on a combination of the near month contract and the next month contract as follows: (1) day 1 consists of 75% of the then near month contract’s price plus 25% of the price of the next month contract, divided by 75% of the near month contract’s prior day’s price plus 25% of the price of the next month contract, (2) day 2 consists of 50% of the then near month contract’s price plus 50% of the price of the next month contract, divided by 50% of the near month contract’s prior day’s price plus 50% of the price of the next month contract, and (3) day 3 consists of 25% of the then near month contract’s price plus 75% of the price of the next month contract, divided by 25% of the near month contract’s prior day’s price plus 75% of the price of the next month contract. On day 4, the Benchmark Futures Contract is the next month contract to expire at that time and that contract remains the Benchmark Futures Contract until the beginning of the following month’s change in the Benchmark Futures Contract over a four-day period.

On each day during the four-day period, the General Partner “rolls” USNG’s positions in Natural Gas Interests by closing, or selling, a percentage of USNG’s positions in Natural Gas Interests and reinvesting the proceeds from closing those positions in new Natural Gas Interests that reflect the change in the Benchmark Futures Contract.

The anticipated dates that the monthly four-day roll period will commence for 2010 will be posted on USNG’s website at [www.unitedstatesnaturalgasfund.com](http://www.unitedstatesnaturalgasfund.com), and are subject to change without notice.

USNG’s total portfolio composition is disclosed on its website each day that the NYSE Arca is open for trading. The website disclosure of portfolio holdings is made daily and includes, as applicable, the name and value of each Natural Gas Interest, the specific types of Other Natural Gas-Related Investments and characteristics of such Other Natural Gas-Related Investments, Treasuries, and amount of cash and/or cash equivalents held in USNG’s portfolio. USNG’s website is publicly accessible at no charge. USNG’s assets are held in segregated accounts pursuant to the Commodity Exchange Act (the “CEA”) and CFTC regulations.

The units issued by USNG may only be purchased by Authorized Purchasers and only in blocks of 100,000 units called Creation Baskets. The amount of the purchase payment for a Creation Basket is equal to the aggregate NAV of units in the Creation Basket. Similarly, only Authorized Purchasers may redeem units and only in blocks of 100,000 units called Redemption Baskets. The purchase price for Creation Baskets, and the redemption price for Redemption Baskets is the actual NAV of the units purchased or redeemed calculated at the end of the business day when notice for a purchase or redemption is received by USNG. In addition, Authorized Purchasers pay USNG a \$1,000 fee for each order placed to create one or more Creation Baskets or redeem one or more Redemption Baskets. The NYSE Arca publishes an approximate NAV intra-day based on the prior day’s NAV and the current price of the Benchmark

Futures Contract, but the basket price is determined based on the actual NAV at the end of the day.

While USNG issues units only in Creation Baskets, units may also be purchased and sold in much smaller increments on the NYSE Arca. These transactions, however, are effected at the bid and ask prices established by specialist firm(s). Like any listed security, units can be purchased and sold at any time a secondary market is open.

#### What is USNG's Investment Strategy?

In managing USNG's assets, the General Partner does not use a technical trading system that issues buy and sell orders. The General Partner instead employs a quantitative methodology whereby each time a Creation Basket is sold, the General Partner purchases natural gas interests, such as the Benchmark Futures Contract, that have an aggregate market value that approximates the amount of Treasuries and/or cash received upon the issuance of the Creation Basket.

As an example, assume that a Creation Basket is sold by USNG, and that USNG's closing NAV per unit is \$50.00. In that case, USNG would receive \$5,000,000 in proceeds from the sale of the Creation Basket (\$50.00 NAV per unit multiplied by 100,000 units, and excluding the Creation Basket fee of \$1,000). If one were to assume further that the General Partner wants to invest the entire proceeds from the Creation Basket in the Benchmark Futures Contract and that the market value of the Benchmark Futures Contract is \$59,950, USNG would be unable to buy the exact number of Benchmark Futures Contracts with an aggregate market value equal to \$5,000,000. Instead, USNG would be able to purchase 83 Benchmark Futures Contracts with an aggregate market value of \$4,975,850. Assuming a margin requirement equal to 10% of the value of the Benchmark Futures Contract, USNG would be required to deposit \$497,585 in Treasuries and cash with the futures commission merchant through which the Benchmark Futures Contracts were purchased. The remainder of the proceeds from the sale of the Creation Basket, \$4,502,415, would remain invested in cash, cash equivalents, and Treasuries as determined by the General Partner from time to time based on factors such as potential calls for margin or anticipated redemptions.

The specific Futures Contracts purchased depends on various factors, including a judgment by the General Partner as to the appropriate diversification of USNG's investments in futures contracts with respect to the month of expiration, and the prevailing price volatility of particular contracts. While the General Partner has made significant investments in NYMEX Futures Contracts, as USNG reaches position limits on the NYMEX, or for other reasons, it may invest in Futures Contracts traded on other exchanges or may invest in Other Natural Gas-Related Investments such as cleared swap contracts and other contracts in the "over-the-counter" market.

The General Partner does not anticipate letting USNG's Futures Contracts expire and taking delivery of the underlying commodity. Instead, the General Partner closes existing positions, e.g., when it changes the Benchmark Futures Contract or it otherwise determines it would be appropriate to do so and reinvests the proceeds in new Futures Contracts or Other Natural Gas-Related Investments. Positions may also be closed out to meet orders for Redemption Baskets and in such case proceeds for such baskets will not be reinvested.

By remaining invested as fully as possible in Futures Contracts or Other Natural Gas-Related Investments, the General Partner believes that the changes in percentage terms in USNG's NAV will continue to closely track the changes in percentage terms in the prices of the Benchmark Futures Contract. The General Partner believes that certain arbitrage opportunities result in the price of the units traded on the NYSE Arca closely tracking the NAV of USNG. Additionally, natural gas Futures Contracts traded on the NYMEX have closely tracked the spot price of natural gas. Based on these expected interrelationships, the General Partner believes that the changes in the price of USNG's units as traded on the NYSE Arca have closely tracked and will continue to closely track the changes in the spot price of natural gas. For performance data relating to USNG's ability to track its benchmark, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Tracking USNG's Benchmark" in this annual report on Form 10-K.

What are Futures Contracts?

Futures Contracts are agreements between two parties. One party agrees to buy natural gas from the other party at a later date at a price and quantity agreed upon when the contract is made. Futures Contracts are traded on futures exchanges, including the NYMEX. For example, natural gas Futures Contracts on the NYMEX trade in units of 10,000 million British Thermal Units (“mmBtu”). The natural gas Futures Contracts traded on the NYMEX are priced by floor brokers and other exchange members both through an “open outcry” of offers to purchase or sell the contracts and through an electronic, screen-based system that determines the price by matching electronically offers to purchase and sell.



Certain typical and significant characteristics of Futures Contracts are discussed below. Additional risks of investing in Futures Contracts are included in “What are the Risk Factors Involved with an Investment in USNG?”

Impact of Accountability Levels, Position Limits and Price Fluctuation Limits. Futures contracts include typical and significant characteristics. Most significantly, the CFTC and U.S. designated contract markets such as the NYMEX have established accountability levels and position limits on the maximum net long or net short futures contracts in commodity interests that any person or group of persons under common trading control (other than as a hedge, which an investment by USNG is not) may hold, own or control. The net position is the difference between an individual or firm’s open long contracts and open short contracts in any one commodity. In addition, most U.S. futures exchanges, such as the NYMEX, limit the daily price fluctuation for futures contracts. Currently, the ICE Futures imposes position and accountability limits that are similar to those imposed by the NYMEX but does not limit the maximum daily price fluctuation.

The accountability levels for the Benchmark Futures Contract and other Futures Contracts traded on the NYMEX are not a fixed ceiling, but rather a threshold above which the NYMEX may exercise greater scrutiny and control over an investor’s positions. The current accountability level for any one month in the Benchmark Futures Contract is 6,000 net contracts. In addition, the NYMEX imposes an accountability level for all months of 12,000 net futures contracts in natural gas. If USNG and the Related Public Funds exceed these accountability levels for 160; N/A 9,884(14) \* All directors and executive officers as a group (12 persons)

N/A

N/A N/A N/A 1,485,140 30.04%

\* Less than 1%.

- (1) Includes service as a director of BCB Community Bank.
- (2) Includes shares underlying options that are exercisable within 60 days from the record date.
- (3) Mr. Lyga has sole voting and dispositive power over 68,838 shares, shared voting and dispositive power over 1,040 shares with his spouse and shared voting and dispositive power over 379 shares with his child. Includes 22,243 shares underlying options exercisable within 60 days from the record date.
- (4) Mr. Pasiechnik has sole voting and dispositive power over 83,960 shares. Includes 11,406 shares underlying options exercisable within 60 days from the record date.
- (5) Mr. Tagliareni has sole voting and dispositive power over 18,920 shares, shared voting and dispositive power over 10,966 shares with his spouse and shared voting and dispositive power over 1,040 shares with his children. Includes 2,000 shares underlying options exercisable within 60 days from the record date.
- (6) Mr. Coughlin has sole voting and dispositive power over 134,660 shares. Includes 21,514 shares underlying options exercisable within 60 days from the record date.
- (7) Ms. Bielan has sole voting and dispositive power over 77,768 shares, shared voting and dispositive power over 6,297 shares with her spouse and shared voting and dispositive power over 1,890 shares with her children. Includes 34,534 shares underlying options exercisable within 60 days from the record date.
- (8) Mr. Collins has sole voting and dispositive power over 131,872 shares, shared voting and dispositive power over 851 shares with his spouse and shared voting and dispositive power over 3,441 shares with his children. Includes 27,107 shares underlying options exercisable within 60 days from the record date.
- (9) Mr. Hogan has sole voting and dispositive power over 185,055 shares, shared voting and dispositive power over 16,115 shares with his spouse and shared voting and dispositive power over 1,988 shares with his children. Includes no shares underlying options exercisable within 60 days from the record date.
- (10) Mr. Ballance has sole voting and dispositive power over 74,268 shares, shared voting and dispositive power over 953 shares with his spouse and shared voting and dispositive power over 2,494 shares with his children. Includes 35,258 shares underlying options exercisable within 60 days from the record date.
- (11) Mr. Brogan has sole voting and dispositive power over 127,101 shares, shared voting and dispositive power over 11,181 shares with his spouse and shared voting and dispositive power over 99,196

Edgar Filing: United States Natural Gas Fund, LP - Form 10-K

shares with his grandchildren. Includes 8,592 shares underlying options exercisable within 60 days from the record date.

- (12) Mr. Mindiak has sole voting and dispositive power over 107,833 shares, shared voting and dispositive power over 2,950 shares with his spouse and shared voting and dispositive power over 1,811 shares with his children. Includes 37,080 shares underlying options exercisable within 60 days from the record date.
- (13) Dr. Pellegrini has sole voting and dispositive power over 67,541 shares. Includes 35,114 shares underlying options exercisable within 60 days from the record date.
- (14) Mr. Saleem has sole voting and dispositive power over 4,030 shares. Includes 5,854 shares underlying options exercisable within 60 days from the record date.

Biographical Information Regarding Directors, Executive Officers and Nominees

Set forth below is biographical information regarding our directors and executive officers. For the individuals named below, all are directors of BCB Bancorp, Inc., the Parent Company of their wholly owned subsidiary, BCB Community Bank. Unless otherwise noted, each director has held the indicated position for at least 10 years.

Directors

Robert Ballance, 51, is a Battalion Chief with the Bayonne Fire Department and the owner of Bob's Carpet located in Bayonne. Mr. Ballance is a director of the Bayonne Fire Exempt Association; a member of the Bayonne Elks B.P.O.E.; and has served as the Treasurer of Bayonne Fire Department Local #11. Additionally, from 1997 to 2001, Mr. Ballance was a director of the Bayonne Federal Credit Union and has operated a flooring business for over 25 years. Mr. Ballance's experience as a businessman, civil servant and former director of a financial institution support his appointment as a member of the Board of Directors. Mr. Ballance attended Saint Vincent DePaul Grammar School and Marist High School in Bayonne.

Judith Q. Bielan, Esq., 45, is an attorney practicing law for 20 years. Ms. Bielan currently owns her own law firm, Bielan, Miklos, Makrogiannis, P.C., which she formed in 1996. Ms. Bielan was a partner with Cavanaugh and Bielan, P.C. from 1993 to 1996, and associated with the firm of Schumann, Hanlon, O'Connor and McCrossin from 1989 to 1993. She has represented various banking clients in commercial and residential real estate closings, work-out negotiations, merger agreements and general research relating to banking law. In her present firm she continues to handle all aspects of real estate closings, foreclosures, contract disputes and estate matters. In the management of her own firm, Ms. Bielan is also experienced in the areas of marketing, budgeting, public relations, collections and employment issues. Ms. Bielan's legal expertise in the area of banking law, and her service to the Bayonne community as an attorney led to her appointment as a member of the Board of Directors. She is a member of the New York and New Jersey State Bars as well as the President of the Hudson County Bar Association. Ms. Bielan serves on the Hudson County Bar Association's Family Law Committee and serves as a Vice Chair on the Board of Trustees of Holy Family Academy of Bayonne. In addition, she holds degrees from Montclair State College and Seton Hall Law School.

Joseph J. Brogan, 71, has over 45 years of experience in the insurance industry and is the founder of Brogan Insurance Agency located in Bayonne. His extensive experience as an insurance industry professional and real estate/market investor led to his appointment to serve as a member of the Board of Directors. Mr. Brogan is the former head of the State Farm Agents Association and is a current member of the Knights of Columbus and the Fraternal Order of Elks. Mr. Brogan attended Saint Aloysius Grammar School, Jersey City, and Seton Hall Preparatory School, has received a B.S. from Saint Peter's College and attended graduate school at Fordham and New Jersey City University.

James E. Collins, 61, is Senior Lending Officer of BCB Community Bank, and has worked in the banking industry since 1972. He is the former Vice President of Lending at First Savings Bank of New Jersey and served as that bank's Community Reinvestment Officer and as a member of the Budget, Asset and Liability, Asset Classification and Loan Committees. In addition, Mr. Collins has served as Treasurer of the Bayonne Chamber of Commerce, as the past President of Ireland's 32 and as citywide director for Bayonne's C.Y.O. Sports Programs. Currently, Mr. Collins serves as a Trustee for the Bayonne Education Foundation and is currently a member of the Directorate of Marist High School in Bayonne. Mr. Collins attended St. Mary's, Our Lady Star of the Sea Elementary School and Marist High School, received a B.S. from St. Peter's College and attended graduate school at the Institute for Financial Education. Mr. Collins is a certified Real Estate Appraiser and a member of the Review Appraisers Association.

Thomas M. Coughlin, 50, is Chief Operating Officer of BCB Bancorp, Inc. and BCB Community Bank, and has been employed in the banking industry for 21 years. He was previously Chief Financial Officer of BCB Bancorp, Inc. and

BCB Community Bank. Mr. Coughlin was formerly Vice President of Chatham Savings Bank and, prior to that, Controller and Corporate Secretary of First Savings Bank of New Jersey. While at First Savings Bank of New Jersey, Mr. Coughlin served in various capacities on several executive managerial committees, including, but not limited to, the Budget, Asset/Liability and Loan Review Committees. Mr. Coughlin, who received his CPA designation in 1982, is the past President of the American Heart Association and has served as

Trustee of D.A.R.E. and the Bayonne P.A.L. Mr. Coughlin attended Saint Vincent DePaul Grammar School and Bayonne High School, and received a B.S. degree from Saint Peter's College.

Mark D. Hogan, C.P.A., 44, is a sole practitioner with an office located in Bayonne. In addition, Mr. Hogan is a registered representative providing financial planning for his clientele. Mr. Hogan has achieved the following licenses and designations: NASD Series 7, 24 and 63, New Jersey Life and Health Insurance broker, New Jersey Property and Casualty Insurance broker. Mr. Hogan qualifies as an "audit committee financial expert" under the rules and regulations of the SEC, and therefore is well-qualified to serve as our Chairman of the Board of Directors. Mr. Hogan attended Saint Peter's Preparatory School and received a B.S. degree in Finance from Pace University. He is a member of the New Jersey Society of Certified Public Accountants.

Joseph Lyga, 50, has served on the Bayonne Fire Department since 1985, having achieved the rank of Fire Captain. In addition, Mr. Lyga has been a self-employed contractor for the last 23 years in the area of systems design. In this capacity he has served BCB Bancorp, Inc., in conjunction with other technical advisors, to strengthen our firewall security for our computer systems in an effort to preserve and protect the integrity of our financial records. Mr. Lyga's dedicated service to the Bayonne community led to his appointment to serve as a member of the Board of Directors. Mr. Lyga has served as President and Secretary/State Delegate of the Bayonne Fire Department Local #211 and has served as President, Vice President, Secretary and Treasurer of the Bayonne Fire Department Local #11. Mr. Lyga is also a member of the Sicilian Citizens Club and the Friends of Nick Capodice. Mr. Lyga attended Saint Mary's, Our Lady Star of the Sea Elementary School, Marist High School, New Jersey City University and the Chubb Institute where he studied computer programming and network design.

Donald Mindiak, 51, has been employed in the banking industry for over 30 years and has been President and Chief Executive Officer of BCB Community Bank since October 1999 and BCB Bancorp, Inc. since May 2003. He was named Chief Financial Officer of BCB Bancorp, Inc. and BCB Community Bank in May of 2007. Before joining BCB Community Bank, he was employed by Summit Bank as a Manager of Strategic Planning and Support. Prior to his employment at Summit Bank, Mr. Mindiak was employed at First Savings Bank of New Jersey in Bayonne. During his tenure at First Savings Bank of New Jersey, he served as Treasurer and prior to that position as Controller. Mr. Mindiak served as an active member of the Asset/Liability, Budget, Investment and Rate Setting Committees while at First Savings Bank of New Jersey and was the former Chairman of the Asset Classification Committee. Mr. Mindiak serves as a member of the Board of Governors of the NJ Bankers Association as well as the current President of the Community Bankers Association of New Jersey. In addition, Mr. Mindiak serves on the Board of All Saints Catholic Academy Elementary School in Bayonne. Mr. Mindiak received a B.A. degree in Chemistry from Rutgers, Newark College of Arts and Sciences and an M.B.A. degree in Finance from Fairleigh Dickinson University.

Alexander Pasichnik, 48, is President and Chief Executive Officer of Victoria T.V. Sales and Appliances. Victoria T.V. Sales and Appliances is a family run business that has been operating successfully in the community of Bayonne for 50 years. Mr. Pasichnik is also an accomplished real estate investor who owns and operates various commercial and investment real estate facilities. He is also an active member of the Bayonne Chapter of UNICO National. Mr. Pasichnik's financial acumen that was developed while serving as a senior executive of a successful company led to his appointment to serve as a member of the Board of Directors. Mr. Pasichnik was born in Bayonne and attended Saint Mary's, Our Lady Star of the Sea Elementary School, Marist High School, and Saint Peter's College.

Dr. August Pellegrini, Jr., 50, has practiced general dentistry in Bayonne for 23 years. He has served as President of both the New Jersey Dental Association and the Hudson County Dental Society. A former board member of the New Jersey Foundation for Dentistry for Persons with Disabilities, Dr. Pellegrini currently serves as the Director of Clinics for the New Jersey Dental School and is an Assistant Professor in the Department of Restorative Dentistry as well. Dr. Pellegrini's educational background and service to the Bayonne community resulted in his appointment to serve as a

member of the Board of Directors. Dr. Pellegrini is a graduate of Temple University School of Dentistry, Rutgers College, Marist High School and Horace Mann Grammar School.

Joseph Tagliareni, 55, is the President and Chief Executive Officer of J&J Printing, located in Bayonne, and has over thirty years of printing experience. Mr. Tagliareni's business background and service to the Bayonne community led to his appointment to serve as a member of the Board of Directors. Mr. Tagliareni is a member of many civic organizations including: the Bayonne Chapter of UNICO National, the Knights of Columbus, the United Christians and Jews Association, the Bayonne Chamber of Commerce, Mr. Tagliareni also is the Vice President and a board member of the Bayonne Family YMCA and serves on the board of All Saints Catholic Academy Elementary School. Mr. Tagliareni is a committeeman for the First Ward in Bayonne. Mr. Tagliareni attended Lincoln School and Bayonne High School. Mr. Tagliareni was a member of our Board of Directors from 2003 through 2004.

Executive Officer who is not a Director

The following is biographical information regarding our executive officer of BCB Community Bank who is not a director. The named officer has held the indicated position for at least five years.

Amer Saleem, 55, is a Vice President of Commercial Lending of BCB Community Bank. Prior to joining BCB Community Bank in 2002, Mr. Saleem was an Assistant Vice President of Commercial Lending of 1st Constitution Bank, Cranbury, New Jersey. Mr. Saleem holds a B.A. degree in Economics, Diploma in Accounting from City of London Polytechnic, London, England and an M.B.A. degree in Finance from Long Island University, New York. Mr. Saleem has over 20 years of banking experience, specializing in commercial lending. Mr. Saleem is a member of the Officers' Lending Committee.

#### Board Independence

The Board of Directors has determined that, except as to Messrs. Collins, Coughlin and Mindiak, each member of the Board of Directors is an "independent director" within the meaning of the Nasdaq corporate governance listing standards. Messrs. Collins, Coughlin and Mindiak are not considered independent because they are executive officers of BCB Bancorp, Inc. or BCB Community Bank.

The Board of Directors has also determined that each member of the Audit Committee of the Board meets the independence requirements applicable to that committee prescribed by the NASDAQ Marketplace Rules, the SEC and the Internal Revenue Service. There were no transactions not required to be reported under "—Transactions With Certain Related Person" that were considered in determining the independence of our directors.

The Company has chosen to separate the principal executive officer and board chair positions in order to provide a higher degree of independence and transparency between the Board and management. This leadership structure of the Board has been in place since the inception of the BCB Bancorp, Inc. The Board believes that this leadership structure is most appropriate given the Board's and BCB Bancorp, Inc.'s conservative risk profile and the Board's role in monitoring the BCB Bancorp, Inc.'s execution of its business plan and the risk elements associated with such execution. The Board monitors the BCB Bancorp, Inc.'s risk by employing no less than five different departments, as well as independent companies to monitor and measure certain risk parameters of the BCB Bancorp, Inc. such as interest rate risk, credit risk, liquidity risk, compliance risk and concentration risk. Reports assessing the BCB Bancorp, Inc.'s risk are provided to management, and thereafter, management reports are prepared and provided to the appropriate directorial sub-committee, and ultimately to the entire Board. Given the independent roles both the Board and management have in monitoring BCB Bancorp, Inc.'s risk, BCB Bancorp, Inc. believes that its current leadership structure is well positioned to identify and mitigate risks as they arise.

#### Meetings and Committees of the Board of Directors

Our Board of Directors meets on a monthly basis and may hold additional special meetings. Our standing committees include the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. BCB Community Bank's standing committees include an Asset/Liability Management Committee, a Loan Committee, an Investment Committee and a Budget Committee. During the year ended December 31, 2009, our board of directors held 12 regular meetings and two special meetings. No director attended fewer than 75%, in the aggregate, of the total number of board meetings held and the total number of committee meetings in which he or she served during fiscal 2009. During the year ended December 31, 2009, the board of directors of the Holding Company, BCB Bancorp, Inc., held 11 regular meetings and five special meetings. No director attended fewer than



75%, in the aggregate, of the total number of board meetings held and the total number of committee meetings in which he or she served during fiscal 2009. At last year's annual meeting all directors were in attendance.

#### The Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee consists of Directors Ballance, Lyga and Pellegrini. Each member of the Nominating and Corporate Governance Committee is considered "independent" as defined in the Nasdaq corporate governance listing standards. Our Board of Directors has adopted a written charter for the Nominating and Corporate Governance Committee and the charter was last distributed to shareholders as part of the proxy statement for the year ended December 31, 2006. The charter has not been amended. The full board of directors, acting as the Nominating and Corporate Governance Committee met one time during 2009.

The functions of the Nominating and Corporate Governance Committee include the following:

- to lead the search for individuals qualified to become members of the Board of Directors and to select director nominees to be presented for shareholder approval;
  - to review and monitor compliance with the requirements for board independence;
- to review the committee structure and make recommendations to the Board of Directors regarding committee membership;
  - to develop and recommend to the Board of Directors for its approval corporate governance guidelines; and
- to develop and recommend to the Board of Directors for its approval a self-evaluation process for the Board of Directors and its committees.

The Nominating and Corporate Governance Committee identifies nominees by first evaluating the current members of the Board of Directors willing to continue in service. Current members of the Board of Directors with skills and experience that are relevant to our business and who are willing to continue in service are first considered for re-nomination, balancing the value of continuity of service by existing members of the Board of Directors with that of obtaining new perspectives. If any member of the Board of Directors does not wish to continue in service, or if the Nominating and Corporate Governance Committee of the Board of Directors decides not to re-nominate a member for re-election, or if the size of the Board of Directors is increased, the Nominating and Corporate Governance Committee would solicit suggestions for director candidates from all board members. In addition, the Nominating and Corporate Governance Committee is authorized by its charter to engage a third party to assist in the identification of director nominees. The Nominating and Corporate Governance Committee would seek to identify a candidate who at a minimum satisfies the following criteria:

- has the highest personal and professional ethics and integrity and whose values are compatible with ours;
- has had experiences and achievements that have given them the ability to exercise and develop good business judgment;
- is willing to devote the necessary time to the work of the Board of Directors and its committees, which includes being available for board and committee meetings;
  - is familiar with the communities in which we operate and/or is actively engaged in community activities;

- is involved in other activities or interests that do not create a conflict with their responsibilities to us and our shareholders; and

- has the capacity and desire to represent the balanced, best interests of our shareholders as a group, and not primarily a special interest group or constituency.

The Nominating and Corporate Governance Committee will also take into account whether a candidate satisfies the criteria for “independence” under the Nasdaq corporate governance listing standards, and if a nominee is sought for service on our Audit Committee, the financial and accounting expertise of a candidate, including whether an individual qualifies as an audit committee financial expert.

Although the Nominating Committee and the Board do not have a formal policy with regard to the consideration of diversity in identifying a director nominee, diversity is considered in the identification process. While attributes such as relevant experience, financial acumen, and formal education are always considered in the identification process, the Nominating Committee and the Board will also evaluate a potential director nominees personal character, community involvement and willingness to serve so that he or she can help further the Company’s and the Bank’s role as a community-based financial institution.

#### Procedures for the Shareholder Recommendations for the Nomination of Directors

Our Board of Directors has adopted procedures for the submission of director nominees by shareholders. If a determination is made that an additional candidate is needed for the Board of Directors, the Nominating and Corporate Governance Committee will consider candidates submitted by our shareholders. Shareholders can submit the names of candidates for director by writing to our Corporate Secretary, at 104-110 Avenue C, Bayonne, New Jersey 07002. The Chairman of the Board must receive a submission not less than 90 days prior to the anniversary date of our proxy materials for the preceding year’s annual meeting. If the date of the annual meeting is advanced more than 30 days prior to or delayed by more than 30 days after the anniversary of the preceding year’s annual meeting, the shareholder’s suggestion must be so delivered not later than the close of business on the tenth day following the day on which public announcement of the date of such annual meeting is first made. The submission must include the following information:

- the name and address of the shareholder as they appear on our records, and number of shares of our common stock that are owned beneficially by such shareholder (if the shareholder is not a holder of record, appropriate evidence of the shareholder’s ownership will be required);
- the name, address and contact information for the candidate, and the number of shares of our common stock that are owned by the candidate (if the candidate is not a holder of record, appropriate evidence of the shareholder’s ownership should be provided);
  - a statement of the candidate’s business and educational experience;
- such other information regarding the candidate as would be required to be included in the proxy statement pursuant to SEC Regulation 14A;
  - a statement detailing any relationship between the candidate and us;
- a statement detailing any relationship between the candidate and any of our customers, suppliers or competitors;
- detailed information about any relationship or understanding between the proposing shareholder and the candidate;  
and
- a statement that the candidate is willing to be considered and willing to serve as a director if nominated and elected.

There have been no material changes to these procedures since they were previously disclosed in our proxy statement for the 2008 Annual Meeting of Shareholders.

We have no written procedural or informational requirements for the presentation of a shareholder nomination at the Annual Meeting of Shareholders. It is expected that any person making a shareholder nomination at the annual meeting will provide the information set forth above regarding themselves and the proposed nominee.

#### Shareholder Communications with the Board

A shareholder who wants to communicate with our Board of Directors or with any individual director can write to our President and Chief Executive Officer, 104-110 Avenue C, Bayonne, New Jersey 07002, Attention: Board Administration. The letter should indicate that the author is a shareholder and if shares are not held of record, should include appropriate evidence of stock ownership. Depending on the subject matter, management will:

- forward the communication to the director or directors to whom it is addressed;
- attempt to handle the inquiry directly, for example where it is a request for information about the company or it is a stock-related matter; or
- not forward the communication if it is primarily commercial in nature, relates to an improper or irrelevant topic, or is unduly hostile, threatening, illegal or otherwise inappropriate.

At each Board of Directors meeting, management presents a summary of all communications received since the last meeting that were not forwarded and makes those communications available to the directors.

#### Code of Ethics

We have adopted a code of ethics that is applicable to our officers, directors and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Our Code of Ethics has been filed as an exhibit to the Annual Report on Form 10-K.

#### The Audit Committee

The Audit Committee consists of directors Hogan, Bielan, Brogan and Pellegrini. Each current member of the Audit Committee is considered “independent” as defined in the Nasdaq corporate governance listing standards and under SEC Rule 10A-3. The duties and responsibilities of the Audit Committee include, among other things:

- retaining, overseeing and evaluating a firm of independent certified public accountants to audit the annual financial statements;
  - in consultation with the independent registered public accounting firm and the internal auditor, reviewing the integrity of our financial reporting processes, both internal and external;
  - approving the scope of the audit in advance;
- reviewing the financial statements and the audit report with management and the independent registered public accounting firm;
- considering whether the provision by the external auditors of services not related to the annual audit and quarterly reviews is consistent with maintaining the auditor’s independence;
  - reviewing earnings and financial releases and quarterly reports filed with the SEC;

- consulting with the internal audit staff and reviewing management's administration of the system of internal accounting controls;
- approving all engagements for audit and non-audit services by the independent registered public accounting firm; and

- reviewing the adequacy of the audit committee charter.

The Audit Committee met six times during 2009. The Board of Directors has adopted a written charter for the Audit Committee. The Audit Committee reports to the Board of Directors on its activities and findings. The Board of Directors believes that Mr. Hogan qualifies as an “audit committee financial expert” as that term is used in the rules and regulations of the SEC.

#### Audit Committee Report

In accordance with SEC regulations, the Audit Committee has prepared the following report. As part of its ongoing activities, the Audit Committee has:

- Reviewed and discussed with management our audited consolidated financial statements for the year ended December 31, 2009;
- Discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61, Communications with Audit Committees, as amended; and
- Received the written disclosures and the letter from the independent registered public accounting firm required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, and has discussed with the independent registered public accounting firm their independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2009 to be filed with the SEC. In addition, the Audit Committee approved the appointment of ParenteBeard LLC as our independent registered public accounting firm for the fiscal year ending December 31, 2010, subject to the ratification of the appointment by our shareholders.

This report shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate this information by reference, and shall not otherwise be deemed filed under such Acts.

The Audit Committee:  
Mark D. Hogan, (Chairman)  
Judith Q. Bielan  
Joseph Brogan  
Dr. August Pellegrini, Jr.

The Audit Committee has approved a list of procedures for the engagement of outside auditors to perform non-audit tasks. The following services cannot be provided by the auditor: financial information systems design and implementation; internal audit outsourcing; appraisal or valuation services, fairness opinions, and contribution in kind reports; management functions or human resources; bookkeeping; broker or dealer or investment banking services; legal services unrelated to the audit; actuarial services; and services determined by the Audit Committee to be impermissible. All permissible non-audit services must be pre-approved by the Audit Committee. The authority to approve audit and non-audit services may be delegated by the committee to one or more of its members, provided that any delegated approvals must be reported to the full Audit Committee and all approvals of non-audit services will be disclosed in our periodic reports.

Section 16(a) Beneficial Ownership Reporting Compliance

Our common stock is registered pursuant to Section 12(b) of the Exchange Act. Executive officers, directors and 10% beneficial owners are required to file beneficial ownership reports with the SEC disclosing beneficial ownership and changes in beneficial ownership of our common stock. SEC rules require disclosure in our Proxy Statement and Annual Report on Form 10-K of the failure of an executive officer, director or 10% beneficial



owner to file such forms on a timely basis. Based on our review of such ownership reports, we believe that no officer or director failed to timely file such ownership reports for the fiscal year ended December 31, 2009.

#### Compensation Committee

During the fiscal year ended December 31, 2009, the Compensation Committee, which consisted of Robert Ballance, Judith Q. Bielan, Joseph Brogan, Mark D. Hogan, Joseph Lyga and Alexander Pasiechnik, met four times to review the performance of the executive officers and determine compensation programs and adjustments. Each member of the Compensation Committee is considered “independent” as defined in the Nasdaq corporate governance listing standards. The Board of Directors has adopted a written charter for the Compensation Committee. Messrs. Mindiak, Coughlin and Collins do not participate in the Board of Directors determination of their respective compensation as executive officers.

**Roles and Responsibilities.** The primary purpose of the Compensation Committee is to conduct reviews of our general executive compensation policies and strategies in order to oversee and evaluate our overall compensation structure and programs. Direct responsibilities include, but are not limited to:

- Evaluating and approving goals and objectives relevant to compensation of the chief executive officer and other executive officers, and evaluating the performance of the executives in light of those goals and objectives;
  - Determining and approving the compensation level for the chief executive officer;
  - Determining and approving compensation levels of other key executive officers; and
  - Recommending to the Board compensation policies for outside directors.

The Compensation Committee approves the compensation paid to the Chief Executive officer and our other executive officers. The performance of the Chief Executive Officer is reviewed annually by the Committee. The Chief Executive Officer presents annually to the Committee his assessment of the performance of the other executive officers and his recommendations for their salary adjustments and performance awards. The Committee exercises its discretion in determining the levels of compensation to be paid to those executives.

The Compensation Committee approves equity compensation awards to all our officers. The Committee has given the Chief Executive Officer the authority to determine the non-equity compensation of all of our officers other than those officers mentioned in the preceding paragraph.

Performance evaluations are generally measured on criteria applicable to us as a whole and to specific responsibilities of each executive. Criteria considered include earnings, return on equity, return on assets, asset quality, capital management, risk management, franchise expansion, corporate governance, expertise and general management skills, and each executive’s contribution to our successful operation. These criteria are evaluated not only on current year performance, but also on the trend of performance over the past few years and within the context of unusual operating and performance issues. Also, taken into consideration are factors outside of the control of management, such as the state of the economy, the interest rate environment, regulatory mandates and competition.

Strict numerical formulas are not used to determine changes in compensation, instead, the factors as set forth above are utilized in the decision process.



## Executive Compensation

Summary Compensation Table. The following table shows the compensation of Donald Mindiak, our principal executive and financial officer and our two highest compensated executive officers who received total compensation of at least \$100,000 for services to us or any of our subsidiaries during the year ended December 31, 2009.

Summary Compensation Table

Name and P r i n c i p a l Position	Year	Salary (\$)	Bonus (\$)	Stock awards (\$)	Option awards (\$)	Non-equity incentive plan compensation (\$)	Change in pension value and non- qualified deferred compensation earnings (\$)	All other compensation			Total (\$)
								(1)	(2)	(3)	
Donald Mindiak President, Chief Executive Officer, Chief Financial Officer and Director	2009	\$160,680	\$ 70,000	\$ —	\$ —	\$ —	\$ —	\$ 13,427			\$244,107
	2008	\$156,000	\$ 70,000	\$ —	\$ —	\$ —	\$ —	\$ 11,240			\$237,240
Thomas M. Coughlin Chief Operating Officer and Director	2009	\$ 128,544	\$ 75,000	\$ —	\$ —	\$ —	\$ —	\$ 12,141			\$215,685
	2008	\$ 124,800	\$ 70,000	\$ —	\$ —	\$ —	\$ —	\$ 9,992			\$204,792
James E. Collins Senior Lending Officer and Director	2009	\$ 131,222	\$ 50,000	\$ —	\$ —	\$ —	\$ —	\$ 12,249			\$193,471
	2008	\$ 127,400	\$ 55,000	\$ —	\$ —	\$ —	\$ —	\$ 10,096			\$192,496

(1) Employer matching 401(k) contribution for 2009 and 2008.

(2) For the years ended December 31, 2009 and 2008, the named executive officers did not receive perquisites or personal benefits, which exceeded \$10,000.

(3) Includes a retainer to each of Messrs. Mindiak, Collins and Coughlin in the amount of \$7,000 each for 2009.

Change in Control Agreements. BCB Bancorp, Inc. and BCB Community Bank have entered into change in control agreements with Messrs. Mindiak, Coughlin and Collins. These agreements provide certain benefits in the event of a change in control of BCB Bancorp or BCB Community Bank. Each of the agreements provides for a term of 36 months. Commencing on December 10, 2008, and continuing each anniversary date thereafter, the change in control agreement automatically renews for an additional year unless advance written notice of non-renewal is provided to the executives. The change in control agreements enable BCB Bancorp, Inc. and BCB Community Bank to offer to the

executives certain financial protection in the event of a change in control (as defined in the agreements). This type of protection is frequently offered by other financial institutions, and BCB Bancorp, Inc. and BCB Community Bank may be at a competitive disadvantage in attracting and retaining key employees if they do not offer similar protection.

Upon the occurrence of a change in control of BCB Bancorp, Inc. or BCB Community Bank, the executives are entitled to payment under their agreements even if the executives' employment does not terminate as a result of the change in control. In the event that an executive who is a party to a change in control agreement is entitled to receive payments pursuant to the agreement, he will receive a cash lump sum payment equal to 2.999 times the executive's average annual compensation for services performed for BCB Bancorp, Inc. and BCB Community Bank that was includible in gross income for the most recent five taxable years ending before the date of the change in control. Such payment will be made within 10 business days following the change in control, and is subject to applicable withholding taxes. The lump sum payments under the change in control agreements are limited so that they will not constitute an excess parachute payment under Section 280G of the Internal Revenue Code.

In addition to the lump sum payment, the executives are entitled to receive non-taxable health coverage for themselves and their dependents, at a level that is comparable to the health benefits provided immediately before the change in control, at no cost to the executives for a period of 36 months following the date of the change in control.

The value of the continued health benefits could cause an excess parachute payment under Section 280G of the Internal Revenue Code. To the extent an excess parachute payment is triggered under the change in control

agreements, BCB Bancorp, Inc. and BCB Community Bank shall pay each executive, pursuant to a written agreement, an amount equal to the executives' tax liability that results from receiving an excess parachute payment under Section 280G of the Code. The Board believes that these agreements are in the best interests of BCB Bancorp, Inc. and BCB Community Bank because they provide a further incentive for the named executive officers to achieve successful results in the management and operation of BCB Bancorp, Inc. and BCB Community Bank.

Outstanding Equity Awards at Year End. The following table sets forth information with respect to our outstanding equity awards as of December 31, 2009 for our named executive officers.

#### Outstanding Equity Awards at Fiscal Year-End

Name	Number of securities underlying unexercised options (#) exercisable (1)	Number of securities underlying unexercised options (#) unexercisable	Option awards		Option exercise price (\$)	Option expiration date
			Equity incentive plan awards: number of securities underlying unexercised options (#)	Number of securities underlying unexercised options (#)		
Donald Mindaik President, Chief Executive Officer,	11,094	—	—	—	\$5.29	7-8-2012
Chief Financial Officer and Director	14,580	—	—	—	\$9.34	8-14-2013
James E. Collins Senior Lending Officer and Director	11,406	—	—	—	\$11.84	8-11-2014
Thomas M. Coughlin Chief Operating Officer and Director	15,701	—	—	—	\$9.34	8-14-2013
	11,406	—	—	—	\$11.84	8-11-2014
	3,834	—	—	—	\$15.65	7-8-2012
	9,287	—	—	—	\$15.65	8-14-2013
	8,393	—	—	—	\$15.65	8-11-2014

(1) All of the options granted became fully vested on December 31, 2005.

During the year ended December 31, 2009 there were no grants of plan-based awards for our named executive officers. We did not provide any pension benefits at and for the year ended December 31, 2009 for the named executive officers. We did not provide any defined contribution or other nonqualified deferred compensation plans at and for the year ended December 31, 2009 for the named executive officers.

#### Tax-Qualified Benefit Plans

401(k) Plan. BCB Community Bank sponsors a 401(k) plan. Employees are eligible to participate in the plan upon completion of one year of service with BCB Community Bank. The Plan allows a participant to contribute from 1% to 15% of his or her annual salary, provided that the contribution does not exceed an indexed dollar amount set by the Internal Revenue Service, which was \$16,500 for 2009. In addition, BCB Community Bank may make (i) discretionary qualified non-elective contributions and/or (ii) discretionary profit-sharing contributions to the 401(k) plan, both of which will be allocated to a participant's individual account based on the ratio his or her compensation

bears to the total compensation of all participants. A participant is 100% vested in his or her elective deferrals and the qualified non-elective contributions that were allocated to his or her account. However, BCB Community Bank's profit-sharing contributions that were allocated to a participant's account will become vested at the rate of 20% per year, starting upon completion of two years of credited service, and will be fully vested upon completion of six years of credited service. Generally, vested plan benefits will be distributed upon a participant's termination of employment.

## Benefit Plans

**2003 Stock Option Plan.** Our 2003 Stock Option Plan provided for the grant of options to purchase 358,910 shares of common stock, adjusted for stock dividends. Pursuant to the 2003 Stock Option Plan, no options were granted to non-employee directors in 2009. The term of the options is ten years from the date of grant, and the number of shares subject to awards will be adjusted in the event of any merger, consolidation, reorganization, recapitalization, stock dividend, stock split, combination or exchange of shares or other change in our corporate structure. The stock options granted vested 100% upon grant. To the extent described below, the awards include an equal number of reload options (“Reload Options”), limited stock appreciation rights (“Limited Rights”) and dividend equivalent rights (“Dividend Equivalent Rights”). A Limited Right gives the option holder the right, upon a change in our control, to receive the excess of the market value of the shares represented by the Limited Rights on the date exercised over the exercise price. The Limited Rights are subject to the same terms and conditions as the stock options. Payment upon exercise of Limited Rights will be in cash, or in the event of a merger transaction, for shares of the acquiring corporation or its parent, as applicable. Limited Rights have been granted to employees only. The Dividend Equivalent Rights entitle the option holder to receive an amount of cash at the time that certain extraordinary dividends are declared equal to the amount of the extraordinary dividend multiplied by the number of options that the person holds. For these purposes, an extraordinary dividend is defined as any dividend where the rate of dividend exceeds our weighted average cost of funds on interest-bearing liabilities for the current and preceding three quarters. The Reload Options entitle the option holder, who has delivered shares that he or she owns as payment of the exercise price for option stock, to a new option to acquire additional shares equal in amount to the shares he or she has delivered. Reload Options may also be granted to replace option shares retained by the employer for payment of the option holder’s withholding tax. The option price at which additional shares of stock can be purchased by the option holder through the exercise of a Reload Option is equal to the market value of the previously owned stock at the time it was surrendered. The option period during which the Reload Option may be exercised expires at the same time as that of the original option that the holder has exercised.

**2002 Stock Option Plan.** Our 2002 Stock Option Plan provided for the grant of options to purchase 241,980 shares of common stock, adjusted for stock dividends. Pursuant to the 2002 Stock Option Plan, no options were granted to non-employee directors in 2009. The term of the options is ten years from the date of grant, and the number of shares subject to awards will be adjusted in the event of any merger, consolidation, reorganization, recapitalization, stock dividend, stock split, combination or exchange of shares or other change in our corporate structure. The stock options granted vest at the rate of 20% per year. To the extent described below, the awards include an equal number of reload options (“Reload Options”), limited stock appreciation rights (“Limited Rights”) and dividend equivalent rights (“Dividend Equivalent Rights”). A Limited Right gives the option holder the right, upon a change in our control, to receive the excess of the market value of the shares represented by the Limited Rights on the date exercised over the exercise price. The Limited Rights are subject to the same terms and conditions as the stock options. Payment upon exercise of Limited Rights will be in cash, or in the event of a merger transaction, for shares of the acquiring corporation or its parent, as applicable. Limited Rights have been granted to employees only. The Dividend Equivalent Rights entitle the option holder to receive an amount of cash at the time that certain extraordinary dividends are declared equal to the amount of the extraordinary dividend multiplied by the number of options that the person holds. For these purposes, an extraordinary dividend is defined as any dividend where the rate of dividend exceeds our weighted average cost of funds on interest-bearing liabilities for the current and preceding three quarters. The Reload Options entitle the option holder, who has delivered shares that he or she owns as payment of the exercise price for option stock, to a new option to acquire additional shares equal in amount to the shares he or she has delivered. Reload Options may also be granted to replace option shares retained by the employer for payment of the option holder’s withholding tax. The option price at which additional shares of stock can be purchased by the option holder through the exercise of a Reload Option is equal to the market value of the previously owned stock at the time it was surrendered. The option period during which the Reload Option may be exercised expires at the same time as that of the original option that the holder has exercised.

In December 2005, in response to changes in the accounting of limited rights and other cash settlement features set forth in the 2003 Stock Option Plan and the 2002 Stock Option Plan, both stock option plans were amended to eliminate the ability to award limited rights, to eliminate outstanding limited rights with the consent of the award recipient, to eliminate the right to receive a cash settlement of an option following a transaction in which our shareholders are to receive securities that are not registered under the Securities Act of 1933, and to provide that no provision of the plan shall operate to require the cash settlement of a stock option in circumstances that are not in our discretion.



## Director Compensation

Directors' Summary Compensation Table. Set forth below is summary compensation for each of our non-employee directors for the year ended December 31, 2009. During the year ended December 31, 2009, we did not provide any stock awards or option grants to our directors. Furthermore, we do not provide any non-equity incentive plan compensation or pension compensation to our directors.

## Director Compensation (2)

Name	Fees earned or paid in cash (\$)	Non-qualified deferred compensation earnings (\$)	All other compensation (\$)(1)	Total (\$)(3)
Mark D. Hogan	\$51,300	—	\$12,165	\$63,465
Robert Ballance	\$50,400	—	—	\$50,400
Judith Q. Bielan	\$43,200	—	—	\$43,200
Joseph Brogan	\$50,400	—	—	\$50,400
Joseph Lyga	\$51,300	—	—	\$51,300
Alexander Pasiechnik	\$53,400	—	—	\$53,400
Dr. August Pellegrini, Jr.	\$42,600	—	—	\$42,600
Joseph Tagliareni	\$51,900	—	—	\$51,900

(1) For the year ended December 31, 2009, only Chairman Hogan received perquisites or personal benefits, which exceeded \$10,000, in the form of a Country Club membership.

(2) For a list of the total outstanding stock options for each director, please see the beneficial stock ownership table.

(3) Included in these totals are certain fees earned during the fourth quarter of 2009, but paid in 2010.

During the year ended December 31, 2009, we did not pay board fees. However, BCB Community Bank's Board of Directors received fees totaling \$406,665. Directors received fees ranging from \$42,600 to \$63,465, where the fee amount was paid based on their tenure. Directors Collins, Coughlin and Mindiak, as named executive officers, do not receive directors' fees.

Deferred Compensation Plan for Directors. The Board of Directors of BCB Community Bank adopted the 2005 Director Deferred Compensation Plan (the "2005 Deferred Plan"), which became effective on October 1, 2005. The 2005 Deferred Plan is designed to comply with the requirements of Internal Revenue Code Section 409A. Pursuant to the 2005 Deferred Plan, directors of BCB Community Bank may elect to defer, on a pre-tax basis, receipt of all or any portion of the fees and retainers received for their service on the Board of Directors and on committees of the Board of Directors, but only to the extent such amounts are attributable to services not yet performed. BCB Community Bank credits the deferred amounts to a bookkeeping account. Interest is paid on such deferred amounts at a rate equal to the rate payable on BCB Community Bank's highest paying time deposit, as determined as of the first day of each month, or as adjusted from time to time. BCB Community Bank may establish a rabbi trust to which BCB Community Bank may deposit such deferrals and interest, but such deposits shall remain subject to the claims of BCB Community Bank's creditors.

Directors may make a deferral election during the first 30 days of becoming eligible to participate in the 2005 Deferred Plan with respect to amounts earned that year, specifying the amount deferred and the time and form of payment. Deferral amounts continue in effect until the director files a notice of adjustment with BCB Community Bank. In addition, if the amount of director fees and/or retainers is increased, the director may increase the amount of his deferral by filing a notice of adjustment with BCB Community Bank. Such adjustments take effect as of January 1 following the date the notice is given to BCB Community Bank. Such deferral election is irrevocable with respect to the calendar year for which it is filed, provided, however, that a director may delay distributions or modify a previous deferral election if: (i) the new deferral election is not effective for 12 months, (ii) the original distribution date is at least 12 months from the date of the change in the election, and (iii) the new distribution date must be at least five years after the original distribution date.

Deferred fees will be paid out on the director's benefit age as designated by the director in his or her deferral election form or upon the director's death, disability or separation from service as a director of BCB Community Bank, if such date is earlier than his or her designated benefit age. Distributions may also be made earlier than the director's designated benefit age if the distribution is necessary to satisfy a financial hardship, as defined in Internal Revenue Code Section 409A. At the election of the director, the distribution may be paid out in a lump sum or in equal annual installments over a period not to exceed ten years.

#### Related Party Transactions

BCB Community Bank leases its 860 Broadway branch office from a limited liability company owned by directors Hogan, Ballance, Bielan, Brogan, Collins, Coughlin, Lyga, Pasiechnik, Pellegrini and Tagliareni. Based upon a market rental value appraisal obtained prior to entering into the lease agreement, we believe that the terms and conditions of the lease are comparable to terms that would have been available from a third party that was unaffiliated with BCB Community Bank. During 2009, total lease payments of \$165,000 were made to the limited liability company. Payments under the lease currently total \$13,750 per month. Each director's percentage ownership in the limited liability corporation is divided equally among 10 individuals.

Other than as described in the preceding two paragraphs, no directors, executive officers or immediate family members of such individuals have engaged in transactions with us involving more than \$120,000 (other than through a loan) during the preceding year. In addition, no directors, executive officers or immediate family members of such individuals were involved in loans from us involving more than \$120,000 which were not made in the ordinary course of business and on substantially the same terms and conditions, including interest rate and collateral, as those of comparable transactions prevailing at the time with other persons, and do not include more than the normal risk of collectability or present other unfavorable features.

We require that any transaction in which a director, officer or a member of their immediate family has an interest, and in which BCB Community Bank is involved must be reviewed and approved by the Board of Directors. Any such transaction must be made on terms no less favorable to us than it would be if we entered into a similar relationship with an unaffiliated third party. Any lending relationship between a director, officer or a member of their immediate family and BCB Community Bank must be reviewed and approved by the Board of Directors. All such loans are made on substantially the same terms as loans to third parties, consistent with banking regulations governing the origination of loans to directors, officers and employees of BCB Community Bank. The entire board is responsible for overseeing the application of these policies and procedures, which are part of our written policies.

Section 402 of the Sarbanes-Oxley Act of 2002 generally prohibits an issuer from: (1) extending or maintaining credit; (2) arranging for the extension of credit; or (3) renewing an extension of credit in the form of a personal loan for an officer or director. There are several exceptions to this general prohibition, one of which is applicable to us. Sarbanes-Oxley does not apply to loans made by a depository institution that is insured by the Federal Deposit

Insurance Corporation and is subject to the insider lending restrictions of the Federal Reserve Act. All loans to the our directors and officers are made in conformity with the Federal Reserve Act regulations.

---

MARKET INFORMATION

---

On December 14, 2005, our common stock began trading on the Nasdaq Global Market. Previously, our common stock was traded on the Over the Counter Electronic Bulletin Board. We currently have three market makers in accordance with Nasdaq rules. However, no market maker has an obligation to continue to make a market for our common stock and could discontinue making a market at any time. As of March 1, 2010, we had approximately 1,500 shareholders of record.

---

PROPOSAL II - RATIFICATION OF THE APPOINTMENT OF THE INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM

---

On October 1, 2009, BCB Bancorp, Inc. (the "Company") was notified that the audit practice of Beard Miller Company LLP ("Beard") an independent registered public accounting firm, was combined with ParenteBeard LLC ("ParenteBeard") in a transaction pursuant to which Beard combined its operations with ParenteBeard and certain of the professional staff and partners of Beard joined ParenteBeard either as employees or partners of ParenteBeard. On October 1, 2009, Beard resigned as the auditors of the Company and with the approval of the Audit Committee of the Company's Board of Directors, ParenteBeard was engaged as its independent registered public accounting firm.

Prior to engaging ParenteBeard, the Company did not consult with ParenteBeard regarding the application of accounting principles to a specific completed or contemplated transaction or regarding the type of audit opinions that might be rendered by ParenteBeard on the Company's consolidated financial statements, and ParenteBeard did not provide any written or oral advice that was an important factor considered by the Company in reaching a decision as to any such accounting, auditing or financial reporting issue.

The report of independent registered public accounting firm of Beard regarding the Company's consolidated financial statements for the fiscal years ended December 31, 2008 and 2007 did not contain any adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles. During the years ended December 31, 2008 and 2007, and during the interim period from the end of the most recently completed fiscal year through October 1, 2009, the date of resignation, there were no disagreements with Beard on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of Beard would have caused it to make reference to such disagreement in its reports.

Our independent registered public accounting firm for the year ended December 31, 2009 was ParenteBeard LLC. The Audit Committee of the Board of Directors has approved the engagement of ParenteBeard to be our independent registered public accounting firm for the year ending December 31, 2010, subject to the ratification of the engagement by our shareholders at this annual meeting. Representatives of ParenteBeard are expected to attend the annual meeting, will have an opportunity to make a statement if they so desire, and will be available to respond to appropriate questions.

Shareholder ratification of the selection of the independent registered public accounting firm is not required by our bylaws or otherwise. However, the Board of Directors is submitting the selection of the independent registered public accounting firm to the shareholders for ratification as a matter of good corporate practice. If the shareholders fail to ratify the independent registered public accounting firm selected by the Audit Committee, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee in its discretion

may direct the appointment of a different independent accounting firm at any time during the year if it determines that such change is in our best interests and the best interests of our shareholders.

Fees Paid to ParenteBeard and Beard

Set forth below is certain information concerning aggregate fees billed for professional services rendered by ParenteBeard during 2009 and Beard in 2008:

**Audit Fees.** The aggregate fees billed to us by ParenteBeard and Beard for professional services rendered for the audit of our annual financial statements, review of the financial statements included in our Quarterly Reports on Form 10-Q and services that are normally provided in connection with statutory and regulatory filings and engagements was \$106,766 and \$87,805 during the years ended December 31, 2009 and 2008, respectively.

**Audit Related Fees.** There were no fees billed to us by ParenteBeard and Beard for assurance and related services that are reasonably related to the performance of the audit of and review of the financial statements and that are not already reported in “—Audit Fees,” above for the years ended December 31, 2009 and December 31, 2008.

**Tax Fees.** The aggregate fees billed to us by ParenteBeard and Beard for professional services rendered for tax compliance, tax advice and tax planning was \$9,000 and \$8,533 during the years ended December 31, 2009 and 2008, respectively. These services include the calculation of and preparation of all pertinent federal and state tax forms relative to us and our subsidiaries, and the maintenance of all applicable schedules and work papers relative to the same.

**All Other Fees.** There were no fees billed to us by ParenteBeard and Beard that are not described above during the years ended December 31, 2009 and 2008, respectively.

The Audit Committee has considered whether the provision of non-audit services, which relate primarily to costs incurred with the management consulting services rendered, is compatible with maintaining ParenteBeard’s independence. The Audit Committee concluded that performing such services does not affect ParenteBeard’s independence in performing its function as auditor for us.

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

The Audit Committee’s policy is to pre-approve all audit and non-audit services provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to particular service or category of services and is generally subject to a specific budget. The Audit Committee has delegated pre-approval authority to its Chairman when expedition of services is necessary. The independent registered public accounting firm and management are required to periodically report to the full Audit Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with this pre-approval, and the fees for the services performed to date. All of the fees paid in the audit-related, tax and all other categories were approved per the pre-approval policies.

#### Required Vote and Recommendation of the Board of Directors

In order to ratify the selection of ParenteBeard as independent registered public accounting firm for the 2009 year, the proposal must receive the affirmative vote of at least a majority of the votes cast at the annual meeting, either in person or by proxy.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THE RATIFICATION OF PARENTEBEARD LLC AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.**

In order to be eligible for inclusion in our proxy materials for next year's Annual Meeting of Shareholders, any shareholder proposal to take action at such meeting must be received at our executive office, 104-110 Avenue C, Bayonne, New Jersey 07002, no later than November 23, 2010. Any such proposals shall be subject to the requirements of the proxy rules adopted under the Exchange Act.

---

OTHER MATTERS

---

Our Board of Directors is not aware of any business to come before the annual meeting other than the matters described above in the Proxy Statement. However, if any other matter should properly come before the annual meeting, the Proxy Committee of the Board of Directors will have authority to vote its proxies in its discretion with respect to any matter as to which the Board of Directors is not notified at least five business days before the date of the Proxy Statement.

---

MISCELLANEOUS/FINANCIAL STATEMENTS

---

We will bear the cost of solicitation of proxies. We will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of our common stock. Our directors, officers and regular employees may solicit proxies personally or by telegraph or telephone without additional compensation.

A FORM 10-K CONTAINING FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED DECEMBER 31, 2009 IS BEING FURNISHED TO SHAREHOLDERS. THIS DOCUMENT CONSTITUTES OUR ANNUAL DISCLOSURE STATEMENT. COPIES OF ALL OF BCB BANCORP, INC.'S FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION ARE AVAILABLE AT THE COMMISSION'S WEB SITE ([www.sec.gov](http://www.sec.gov)), AND ARE AVAILABLE WITHOUT CHARGE BY WRITING TO BCB BANCORP, INC. AT 104-110 AVENUE C, BAYONNE, NEW JERSEY 07002, ATTENTION: CORPORATE SECRETARY.

BY ORDER OF THE BOARD OF  
DIRECTORS

/s./ Mark D. Hogan

Mark D. Hogan  
Chairman of the Board

Bayonne, New Jersey  
March 22, 2010



PROXY CARD

REVOCABLE PROXY

BCB BANCORP, INC.  
ANNUAL MEETING OF SHAREHOLDERS  
April 22, 2010

The undersigned hereby appoints the Board of Directors with full powers of substitution to act as attorneys and proxies for the undersigned to vote all shares of common stock of BCB Bancorp, Inc. (the "Company") which the undersigned is entitled to vote at the Annual Meeting of Shareholders to be held at The Chandelier Restaurant, 1081 Broadway, New Jersey 07002 on April 22, 2010, at 10:00 a.m. eastern time. The Board of Directors are authorized to cast all votes to which the undersigned is entitled as follows:

- |    |  | VOTE |          |
|----|--|------|----------|
|    |  | FOR  | WITHHELD |
| 1. | The election as directors of all nominees listed below (except as marked to the contrary below). | ..   | ..       |

Judith Q. Bielan

James E. Collins

Mark D. Hogan

INSTRUCTION: To withhold your vote for one or more nominees, write the name of the nominee(s) on the lines below.

\_\_\_\_\_  
\_\_\_\_\_

- |    |   |           |               |               |
|----|---|-----------|---------------|---------------|
| 2. | The ratification of the appointment of ParenteBeard LLC as independent registered public accounting firm for the Company for the year ending December 31, 2010. | FOR<br>.. | AGAINST<br>.. | ABSTAIN<br>.. |
|----|---|-----------|---------------|---------------|

The Board of Directors recommends a vote "FOR" the listed proposals.

THIS PROXY WILL BE VOTED AS DIRECTED, BUT IF NO INSTRUCTIONS ARE SPECIFIED, THIS PROXY WILL BE VOTED FOR THE PROPOSALS STATED ON THIS PROXY. IF ANY OTHER BUSINESS IS PRESENTED AT SUCH ANNUAL MEETING, A MAJORITY OF THE BOARD OF DIRECTORS WILL HAVE THE AUTHORITY TO VOTE IN THEIR DISCRETION WITH RESPECT TO ANY MATTER AS TO WHICH THE BOARD OF DIRECTORS IS NOT NOTIFIED AT LEAST FIVE BUSINESS DAYS BEFORE THE DATE OF THIS PROXY STATEMENT.

The annual meeting may be postponed or adjourned for the purpose of soliciting additional proxies.



THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS

Should the undersigned be present and elect to vote at the annual meeting or at any adjournment thereof and after notification to our Corporate Secretary at the annual meeting of the shareholder's decision to terminate this proxy, then the power of said attorneys and proxies shall be deemed terminated and of no further force and effect. This proxy may also be revoked by sending written notice to our Corporate Secretary at the address set forth on the Notice of Annual Meeting of Shareholders, or by the filing of a later proxy prior to a vote being taken on a particular proposal at the annual meeting.

The undersigned acknowledges receipt from the Company prior to the execution of this proxy of a notice of the annual meeting and a Proxy Statement dated March 22, 2010 and the Annual Report on Form 10-K with audited financial statements.

Dated: \_\_\_\_\_  Check Box if You Plan  
to Attend annual meeting

PRINT NAME OF  
SHAREHOLDER

PRINT NAME OF SHAREHOLDER

SIGNATURE OF  
SHAREHOLDER

SIGNATURE OF SHAREHOLDER

Please sign exactly as your name appears on this proxy card. When signing as attorney, executor, administrator, trustee or guardian, please give your full title.

Please complete and date this proxy card and return it promptly  
in the enclosed postage-prepaid envelope.