

BNC FINANCIAL GROUP, INC.

208 Elm Street
New Canaan, Connecticut 06840
(203) 972-3838

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 23, 2010**

To the Shareholders of BNC Financial Group, Inc.:

The 2009 Annual Meeting of Shareholders of BNC Financial Group, Inc. (the "Company") will be held at the New Canaan Library, 151 Main Street, New Canaan, Connecticut 06840, on June 23, 2010 at 8:30 a.m. for the following purposes:

1. To elect fourteen (14) directors of the Company to serve until the 2011 Annual Meeting of Shareholders or until their successors are elected.
2. To approve an amendment to the Company's Certificate of Incorporation to increase the number of authorized shares of common stock from 5,000,000 to 10,000,000 shares.
3. To extend the outside exercise date for certain Company Warrants from December 1, 2012 to December 1, 2014.
4. To amend the exercise price per share of those Company Warrants to an exercise price equal to the price per share of Company common stock offered in the Company's next offering of Company's common stock.
5. To transact such other business as may properly come before the Annual Meeting, including adjourning the Annual Meeting to permit, if necessary, further solicitation of proxies or any adjournment thereof.

The Board of Directors is not aware of any such other business.

Only shareholders of record of outstanding shares of common stock of the Company at the close of business on April 15, 2010 are entitled to notice of, and to vote, at the Annual Meeting or any adjournment or postponement thereof.

A list of the Company's shareholders will be open to the examination of any shareholder, for any purpose germane to the Annual Meeting, during ordinary business hours, beginning two (2) days after the notice date of the Annual Meeting through the date of the Annual Meeting, at 208 Elm Street, New Canaan, Connecticut.

The Company cordially invites all shareholders to attend the Annual Meeting in person. Whether or not you expect to attend the Annual Meeting, please complete, sign and date the enclosed proxy and return it in the envelope provided. If your shares are held in the name of a broker, only the broker can vote your shares and only after receiving your instructions with regard to the election of Directors. Please contact the responsible person on your account and instruct him or her to execute a proxy card on your behalf.

The Company's 2009 Annual Report is enclosed with this Notice and Proxy Statement.

By Order of the Board of Directors



Merrill Jay Forgotson
Chief Executive Officer

New Canaan, Connecticut
May 19, 2010

IMPORTANT: All shareholders are encouraged to attend the meeting. However, in order that there may be sufficient shareholder representation at the meeting, you are urged to sign and mail the enclosed proxy sheet even though you may plan to attend. Shares represented by proxy received prior to the time of the meeting will be voted as directed by the shareholders on their respective proxy sheets. If you are present in person you may, if you wish, revoke the proxy and vote personally on all matters brought before the meeting.

Your prompt action in sending in your proxy will be greatly appreciated. Return the proxy to:

**BNC Financial Group, Inc.
Attn: Mr. Ernest J. Verrico, Sr.
208 Elm Street
New Canaan, Connecticut 06840**

A self-addressed postage paid envelope is provided for your use.

We would appreciate notice of your plan to attend the meeting in person so that we may be certain to accommodate those who come. Please so indicate on the enclosed proxy sheet if you plan to attend in person.

Printed on the following pages is a Proxy Statement in regard to the Annual Meeting to which your attention is directed.

BNC FINANCIAL GROUP, INC.
208 Elm Street
New Canaan, CT 06840
(203) 972-3838

**PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 23, 2010**

The enclosed proxy is solicited by the Directors of BNC Financial Group, Inc. (the "Company") for use at the Annual Meeting of Shareholders of the Company (the "Annual Meeting") to be held at the New Canaan Library, 151 Main Street, New Canaan, Connecticut, on June 23, 2010, at 8:30 a.m. and at any adjournments thereof. The matters to be considered and acted upon at such meeting are referred to in the preceding notice and are more fully discussed below. The approximate date on which this proxy statement and the accompanying form of proxy (proxy ballot) will first be sent to shareholders is May 19, 2010.

In addition to solicitation by mail, Directors, Officers, and Employees may solicit proxies personally or by telephone or facsimile. The Company may also request brokers, nominees, custodians and fiduciaries to forward soliciting material to the beneficial owners of stock held of record and will reimburse such persons for reasonable expenses incurred in forwarding such material. The cost of solicitation will be borne by the Company.

All properly executed, unrevoked proxy ballots received pursuant to this solicitation prior to the close of voting will be voted as directed therein. Properly executed, unrevoked proxy ballots, which do not specifically direct the voting of the shares, covered thereby will be voted in the affirmative on all Proposals. Any proxy given pursuant to this solicitation may be revoked orally or in writing by the shareholder at any time prior to the voting of the proxy by notifying Ernest J. Verrico, Sr., Assistant Corporate Secretary, BNC Financial Group, Inc., 208 Elm Street, New Canaan, Connecticut 06840.

The persons named on the proxy ballot (to be signed and returned) to act as proxies at the Annual Meeting are: Todd Lampert, Ron C. Miller, and Victor S. Liss, all of whom are Directors of the Company and residents of Connecticut. If, for any reason, any Director nominee shall become unavailable before the date of the Annual Meeting, discretionary authority will be exercised by the above-named persons to vote the proxy ballots for the election of such other person(s) as the Board of Directors shall determine.

The holders of a majority of the outstanding shares of stock, present at the Annual Meeting in person or by proxy, will constitute a quorum for the transaction of business at the Annual Meeting. Proposal 1 (BNC Financial Group, Inc. Director Elections) requires for each nominee, a plurality of the votes cast for such nominee. Proposal 2 (Amendment to Certificate of Incorporation), Proposal 3 (Extension of Warrant Exercise Period) and Proposal 4 (Amendment to Warrant Exercise Price) require for approval, a majority of the votes cast. Votes will not be considered cast if the shares are not voted for any reason, including an abstention indicated as such on a written proxy or ballot; if directions are given in a written proxy to withhold votes; or if the votes are withheld by a broker. Broker nonvotes are counted towards a quorum, but are not counted for any purpose in determining whether a matter has been approved.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

On April 15, 2010, the record date for the determination of shareholders entitled to vote on all matters brought before the Annual Meeting, there were 2,479,349 common shares issued and outstanding. The Company has two classes of stock, common and preferred; only the common stock is entitled to vote at the Annual Meeting. Each share of common stock is entitled to one vote on all matters brought before the Annual Meeting.

Listed in the following table are those who, as of April 15, 2010, owned beneficially more than 5% of the Company's outstanding common shares and the number of shares owned beneficially by Directors and Officers as a group:

Class	Name of Beneficial Owner ^(a)	Owned	Percent of Class (a)
Common	Carl R. Kuehner, III	226,648	9.10%
Common	Bauer Foundation(b)	167,141	6.74%
Common	James A. Fieber	167,194	6.72%
Common	Hugh Halsell	134,236	5.38%
Common	Daniel S. Jones	130,168	5.23%
Common	All Executive Officers and Directors as a group ^(c)	1,204,927	45.49%

(a) In accordance with securities law definitions, beneficially owned shares include shares over which the named person exercises either sole or shared voting power or sole or shared investment power. It also includes shares owned (i) by a spouse, minor children or by relatives sharing the same home, (ii) by entities owned or controlled by the named person, and (iii) by other persons if the named person has the right to acquire such shares within 60 days by the exercise of any right or option.

(b) Based upon the total of 2,479,349 shares issued and outstanding as of April 15, 2010.

(c) Based upon the total 2,648,618 shares as of April 15, 2010 (2,479,349 issued and outstanding and a total of 169,269 fully diluted options issued to Executive Officers and Directors and generally exercisable within 60 days). Includes all Directors and Executive Officers of BNC Financial Group, Inc., The Bank of New Canaan, and The Bank of Fairfield.

PROPOSAL 1 - ELECTION OF DIRECTORS FOR BNC FINANCIAL GROUP, INC.

Fourteen (14) Directors have been nominated for election to serve until the next Annual Meeting and until their successors are elected and qualified.

The name of the nominees, year of birth, date each became a Director of the Company, their principal occupation and number and percentage of shares of Company stock beneficially owned by each as of the close of business on the record date, April 15, 2010, is set forth herein. A total of ten (10) meetings of the Board of Directors and numerous committee meetings were held during the year. Attendance percentages shown in parentheses are for the scheduled and total Board meetings, respectively.

Name/Occupation/Attendance	Year of Birth	Date of Election as Director	Number of Shares Beneficially Owned ^(a)	Percentage of Shares Owned
Eric J. Dale, Esq. Partner, Robinson & Cole, LLP <i>Attorney</i> (100%)	1964	2/27/08	2,211	0.09%
Blake S. Drexler Partner, Five Mile Ventures <i>Investments</i> (90%)	1957	1/24/07	121,724 ^(b)	4.89%
James A. Fieber Managing Member, Fiebro Acquisitions, LLC The Fieber Group, LLC <i>Investments</i> (100%)	1954	1/24/07	167,194 ^(c)	6.72%
Mark Fitzgibbon Principal, Sandler O'Neill + Partners, LP <i>Investment Banking</i> (83%)	1969	6/25/09	26,159	1.06%
William J. Fitzpatrick, III Member, Fitzpatrick, Gray & Bologna, LLC <i>Attorney</i> (80%)	1949	3/27/08	2,500	0.10%
Merrill Jay Forgotson CEO, BNC Financial Group, Inc. <i>Banking</i> (100%)	1942	11/14/07	32,500 ^(d)	1.31%
Christopher Gruseke Investor (N/A)	1960	2/25/10	47,625	1.92%
Daniel S. Jones President, NewsBank Inc. <i>Publisher</i> (90%)	1939	1/24/07	130,168 ^(e)	5.23%
Peter Kirk Former President, BNC Financial Group, Inc. <i>Retired</i> (100%)	1953	2/27/08	17,600 ^(f)	0.71%

Name/Occupation/Attendance	Year of Birth	Date of Election as Director	Number of Shares Beneficially Owned ^(a)	Percentage of Shares Owned
Carl R. Kuehner, III President & CEO, Building and Land Technology <i>Real Estate Development</i> (100%)	1963	1/24/07	226,648 ^(g)	9.10%
Todd Lampert Managing Member, Lampert, Williams, & Toohey, LLC Main St. Group, LLC <i>Attorney</i> (90%)	1963	1/24/07	38,154 ^(h)	1.53%
Victor S. Liss Retired, Stratford, CT (100%)	1937	2/27/08	5,000	0.20%
Ron C. Miller President, Miller's Hallmark <i>Retail</i> (90%)	1944	3/27/08	2,691	0.11%
T. Brock Saxe President, Tombrock Corporation <i>Real Estate</i> (100%)	1941	1/27/08	86,591 ⁽ⁱ⁾	3.48%
Total Directors and Executive Officers			930,450 ^(j)	36.06%

- (a) Beneficially owned shares include shares over which the named person exercises either sole or shared voting power or sole or shared investment power. It also includes shares owned (i) by a spouse, minor children or by relatives sharing the same home, (ii) by entities owned or controlled by the named person and (iii) by other persons if the named person has the right to acquire such shares within 60 days by the exercise of any right or option. All shares identified above are owned of record individually or jointly or beneficially by the named person.
- (b) Includes 7,863 shares issuable upon exercise of stock options exercisable within 60 days.
- (c) Includes 8,740 shares issuable upon exercise of stock options exercisable within 60 days.
- (d) Includes 20,000 shares of restricted stock, which vests over three (3) years.
- (e) Includes 7,249 shares issuable upon exercise of stock options exercisable within 60 days.
- (f) Includes 17,100 shares issuable upon exercise of stock options exercisable within 60 days.
- (g) Includes 11,011 shares issuable upon exercise of stock options exercisable within 60 days.
- (h) Includes 19,422 shares issuable upon exercise of stock options exercisable within 60 days.
- (i) Includes 9,705 shares issuable upon exercise of stock options exercisable within 60 days.
- (j) In addition to the stock options noted above, this figure includes 19,535 shares issuable upon exercise of stock options exercisable within 60-days and issued to Executive Officers.

**MEETINGS AND COMMITTEES OF THE BNC FINANCIAL GROUP, INC.
BOARD OF DIRECTORS**

Pursuant to authority provided by the Bylaws, the BNC Financial Group, Inc. Board of Directors has established a number of committees to facilitate its responsibility to supervise the overall performance of the Company and its subsidiaries, (The Bank of New Canaan (“BNC”) and The Bank of Fairfield (“TBF”), together with BNC, the “Banks”). The following is a description of each of the Committees, and Committee memberships as of December 31, 2009 and the number of meetings held in 2009. All Directors attended at least 80% of the total number of Board meetings and meetings of Committee(s) on which they served, except Messrs. Kuehner and Liss.

The **Asset & Liability Committee** oversees the management and balance of the assets and liabilities of the Company and the Banks and acts as the Investment Committee. The ALCO Committee was formed in the first quarter of 2010.

The **Audit Committee** has the responsibility (a) to assist the Board of Directors in its statutory and regulatory responsibilities as they relate to financial reporting practices and regulatory compliance, (b) review the adequacy of internal accounting controls, (c) supervise the external and internal audit functions, and (d) recommend and review the engagement of the independent internal and external auditors.

The **Governance/Nominating Committee** has the responsibility to adopt corporate governance policies and procedures to insure that the operations of the Company conform to desirable standards of business conduct and ethics.

The **Personnel and Compensation Committee** establishes the policies of the Company with regard to compensation of executives specifically and of the Banks personnel generally.

The **Technology Committee** establishes the policies of the Company and the Banks with regard to oversight, management and implementation of operating technology.

Board Committees

Director	Technology	Audit	Governance	Personnel & Comp.
Eric J. Dale	x	x	x	
Blake S. Drexler		x	x	x
James A. Fieber				C
Mark Fitzgibbon	x			x
William J. Fitzpatrick, III				x
Merrill Jay Forgotson	x			
Daniel S. Jones	C	C	x	
Peter Kirk				
Carl R. Kuehner, III		x	x	
Todd Lampert			x	x
Victor S. Liss	x	x		
Ron C. Miller			x	
T. Brock Saxe			C	x
Number of Meetings in 2009	1	2	1	5
C = Chairperson				

REMUNERATION AND RELATED MATTERS

Compensation Philosophy

The Company and the Banks believe there are three financial components to successfully recruiting and retaining talented staff.

1. **Base Salary** - The Company and the Banks pay a competitive base salary intended to provide compensation within the upper 25% of their peer group. As recommended by our independent compensation consultant, the Banks consider banks of similar asset size located in Connecticut, Westchester County, and New York City to be their peer group.
2. **Incentive Bonus Compensation** – The Company and the Banks have implemented several incentive compensation bonus plans. Mr. Forgotson is the only officer to be eligible for a bonus from the Company; in 2009, the bonus opportunity was up to 25% of salary and was determined by the Personnel and Compensation Committee on the basis of an evaluation of his accomplishments, leadership and overall past performance record at the Company. Currently, BNC's Plan ties 75% of the incentive payment to bank operating results set annually (in 2009, the pre-tax net income (income) earned) and 25% to individual goals set annually based on the officer's responsibilities. Payments under the Plan are based on a target income number with reduced or increased payments possible depending on how well BNC and each officer performs. No payments are made under the Plan unless the earnings are at least 80% of the target figure and 140% of the target figure must be earned for the maximum incentive amount to be paid. All BNC staff participates in the Plan. The Bank of Fairfield Incentive Plan was based on discretionary goals set by Senior Management and the Board of Directors for 2009. In 2009, each of the Company and the two Banks had payouts under their respective Plans.
3. **Stock Option Plan** - The Board of Directors awards stock options to selected employees based on Senior Management recommendations and the Board of Directors' evaluation of an employee's contribution to the Company's success. Stock awards may also be used to recruit new personnel. The Company believes awarding stock options to its staff aligns their interest with that of the shareholders and encourages employees to think like owners. The Company's stock is not registered and no liquid market for the stock exists. Accordingly, stock awards are expected to be held by award recipients for extended periods of time before sale or other value realization.

The Company has issued preferred stock to the United States Treasury as part of its Capital Purchase Program. Pursuant to that program, the Company through its Personnel and Compensation Committee certified that it has completed the required review with its senior risk officer of the incentive compensation arrangements to senior executive officers (SEO) and has made reasonable efforts to ensure that such arrangements do not encourage SEOs to take unnecessary and excessive risks that threaten the value of the financial institution.

1. Summary Compensation Table

The following table sets forth information with respect to current executive officers of the Company and/or Bank whose total annual salary and other compensation exceeded \$100,000 for the fiscal years ended December 31, 2009.

Name and Principal Position (a)	Year (b)	Salary (\$) (c)	Bonus (\$) (d)	Stock Awards (\$) (e)	Option Awards (\$) ⁽¹⁾ (f)	Non-Equity Incentive Plan Compensation (\$) ⁽²⁾ (g)	Nonqualified Deferred Compensation Earnings (\$) (h)	All Other Compensation (\$) ⁽³⁾ (i)	Total (\$) (j)
Merrill Jay Forgotson Chief Executive Officer (BNCFG and TBF)	2009	239,230	-0-	-0-	84,613	55,000	-0-	20,152	398,995
	2008	171,393	-0-	-0-	63,549	-0-	-0-	23,300	258,242
	2007	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ernest J. Verrico, Sr. ⁽⁴⁾ SVP & CFO (BNC FG) EVP Finance (BNC & TBF)	2009	33,462	-0-	-0-	-0-	-0-	-0-	300	33,762
Peter Kirk Former CFO (BNCFG) and CEO (BNC)(5)	2009	228,942	-0-	-0-	12,383	59,199	-0-	12,594	300,735
	2008	198,707	-0-	-0-	6,191	16,838	-0-	6,597	228,333
	2007	175,013	-0-	-0-	3,675	2,250	-0-	5,318	182,581
Heidi DeWyngaert SVP & CLO (BNC FG) President & CLO (BNC)	2009	204,519	-0-	-0-	7,658	39,070	-0-	13,773	257,362
	2008	172,923	-0-	-0-	7,664	15,160	-0-	8,641	204,388
	2007	169,350	-0-	-0-	3,675	1,969	-0-	7,609	178,928
Julie Turner VP Controller (BNC FG) SVP & CFO (BNC & TBF)	2009	110,385	-0-	-0-	1,765	9,500	-0-	6,604	126,489
G. Frederick Reinhardt ⁽⁵⁾ President (TBF)	2009	117,404	-0-	-0-	N/A	N/A	-0-	4,000	121,404

- (1) These amounts represent the aggregate grant date fair market value of stock option awards made to the executive officers named above, in all cases pursuant to the Stock Option Plans.
- (2) These amounts represent cash bonus incentives earned for performance in 2007, 2008 and 2009, as applicable, pursuant to the Executive Incentive Plans.
- (3) The 2009, amounts listed represent: for Mr. Forgotson, a \$2,400 phone allowance, \$1,461 for the personal use of the Company automobile, a \$11,000 reimbursement for his country club dues and a \$5,291 matching contribution made by the Company's 401(k) Plan; for Mr. Kirk: a matching contribution made by the Company under the Company's 401(k) Plan; for Ms. DeWyngaert, a \$2,400 phone and travel allowance and an \$11,373 matching contribution made by the Company's 401(k) Plan; for Ms. Turner, a \$1,600 phone and travel allowance and a \$5,004 matching contribution made by the Company's 401(k) Plan; and for Mr. Reinhardt, a phone and travel allowance.
- (4) Mr. Verrico joined the Company on September 28, 2009 and 2009 figures are based on a partial year.
- (5) Mr. Kirk retired from the Company and Bank effective April 30, 2010.
- (6) Mr. Reinhardt joined the Company on May 4, 2009 and 2009 figures are based on a partial year.

Outstanding Equity Awards at Fiscal Year-End

Name (a)	Option Awards				
	Number of securities underlying unexercised options (#) Exercisable (b)	Number of securities underlying unexercised options (#) Unexercisable (c)	Equity incentive plan awards: Number of securities underlying unexercised unearned options (#) (d)	Option exercise price (\$) (e)	Option expiration date (f)
Merrill Jay Forgotson	-0-	-0-	-0-	-0-	N/A
Ernest J. Verrico, Sr. ⁽¹⁾	4,000	4,000	-0-	11.00	3/4/2020
Peter Kirk ⁽²⁾	4,100 4,000 3,000 2,000 4,000	-0- -0- -0- -0- -0-	-0- -0- -0- -0- -0-	10.00 10.00 14.50 16.00 20.70	8/15/2013 3/31/2014 3/1/2015 3/29/2016 1/2/2018
Heidi DeWyngaert ⁽³⁾	6,000 1,500 2,000 4,000 12,000 1,500	-0- -0- -0- 1,320 8,570 1,500	-0- -0- -0- -0- -0- -0-	10.00 14.50 16.00 20.70 20.70 12.64	7/6/2014 3/1/2015 3/29/2016 1/2/2018 3/26/2018 6/23/2019
Julie Turner ⁽⁴⁾	2,000 1,050 750 350 500 350	-0- -0- -0- -0- 330 350	-0- -0- -0- -0- -0- -0-	10.00 14.50 16.00 20.70 20.70 12.64	7/6/2014 3/1/2015 3/29/2016 6/27/2017 6/25/2018 6/23/2019
G. Frederick Reinhardt ⁽⁵⁾	10,000	10,000	-0-	12.64	6/23/2019

- (1) Options vest at the rate of 20% per year, with the following vesting dates of 3/4/2011, 2012, 2013, 2014, and 2015. Vesting may be accelerated under the circumstances described in Mr. Verrico's Employment Agreement and the Company's 2002, 2006, and 2007 Stock Option Plans. Total Stock Options awarded are 4,000.
- (2) Options vest at the rate of 33 1/3% per year, with the following vesting dates of 8/15/2003, 2004, 2005; 3/31/2004, 2005, 2006; 3/1/2005, 2006, 2007; and 3/29/2007, 2008, 2009 and 1/2/2008, 2009. Vesting of the 1/2/2018 options was accelerated under Mr. Kirk's Jan. 1, 2008 employment agreement and the Company's 2002, 2006, and 2007 Stock Option Plans. Total Stock Options awarded are 19,100.
- (3) Options vest at the rate of 33 1/3% per year, with the following vesting dates of 7/6/2004, 2005, 2006; 3/1/2005, 2006, 2007; 3/29/2007, 2008, 2009, 1/28/2009, 2010, 2011; and at a rate of 14 1/4% per year for options issued on 3/36/08 which have the following vesting dates 3/26/2009, 2010, 2011, 2012, 2013, 2014, 2015. Vesting is conditioned on the named individual remaining an employee until the end of each vesting period. Vesting may be accelerated under the circumstances described in Ms. DeWyngaert's employment agreement and the Company's 2002, 2006, and 2007 Stock Option Plans. Total Stock Options awarded are 27,000.
- (4) Options vest at the rate of 33 1/3% per year, with the following vesting dates of 8/15/2003, 2004, 2005; 3/31/2004, 2005, 2006; 3/1/2005, 2006, 2007; and 3/29/2007, 2008, 2009 and 1/2/2008, 2009, 2010 and at the rate of 20% per year, with the following vesting dates of 6/23/2009, 2010, 2011, 2012, 2013 and 2014. Vesting is conditioned on the named individual remaining an employee until the end of each vesting period. Vesting may be accelerated under the circumstances described in Ms. Turner's employment agreement and the Company's 2002, 2006, and 2007 Stock Option Plans. Total Stock Options awarded are 5,000.
- (5) Options vest at the rate of 20% per year, with the following vesting dates of 6/23/2009, 2010, 2011, 2012, 2013 and 2014. Vesting is conditioned on the named individual remaining an employee until the end of each vesting period. Vesting may be accelerated under the circumstances described in Mr. Reinhardt's employment agreement and the Company's 2002, 2006, and 2007 Stock Option Plans. Total Stock Options awarded are 10,000.

Name	Stock Awards Outstanding at March 4, 2010	
	Number of securities that have not vested	Market value of shares that have not vested
Merrill Jay Forgotson	-20,000-	-\$338,400-

- (1) Mr. Forgotson was awarded 30,000 shares of restricted stock on 3/4/2008. The stock was valued at \$16.92 per share and vests over five (5) years as follows: 5,000 shares on 3/4/2009, 2010, 2011, and 7,500 shares as of 3/4/2012 and 2013.

2. Employment Agreements Formatting different from rest of proxy

Mr. Merrill Jay Forgotson was named Chief Executive Officer of the Company on March 4, 2008 and entered into an employment agreement with the Company which provides for an employment period of three years ending December 31, 2010 with a base salary of \$220,000 for 2008, \$240,000 for 2009, and thereafter eligible for annual increases as determined by the Board of Directors. Mr. Forgotson is eligible for a performance bonus of up to twenty-five percent (25%) of his base salary as declared by the Board of Directors based on goals mutually determined by Mr. Forgotson and the Board of Directors. Mr. Forgotson was granted 30,000 shares of restricted stock at \$16.92 per share subject to a five-year vesting period. He is also entitled to benefits similar to those provided for other employees and perquisites customary to his position at the Company. Additionally, the Company agreed to reimburse Mr. Forgotson for his annual country club dues in the amount of \$7,000 for 2008, and \$11,000 per year for 2009 and 2010. Mr. Forgotson has the use of a Bank automobile and a \$200 per month telephone allowance. Mr. Forgotson's employment agreement provides for change in control protection consisting of a lump sum payment of two times his annual salary and incentive payment and the immediate vesting of his restricted stock following a change in control event. The Agreement also provides for a severance payment of up to 12 months base salary and incentive payment if he is terminated without cause.

Mr. Ernest Verrico was named Chief Financial Officer and Senior Vice President of the Company on September 28, 2009. Mr. Verrico and the Company have entered into an eighteen-month employment contract, which is from September 28, 2009 through March 30, 2011. The agreement provides for an annual base salary of \$145,000 effective September 28, 2009 and subject to an increase to \$160,000 by March 10, 2010 based on his achieving certain goals. Thereafter he is eligible for annual salary increases as determined by the Board of Directors. Mr. Verrico is eligible for a performance bonus of 20 to 50% of his base salary as declared by the Board of Directors based on the Company's Executive Incentive Plan. He is also entitled to benefits similar to those provided for other employees and a \$100 per month telephone allowance. Mr. Verrico was granted 4,000 stock options subject to a five-year vesting period. Mr. Verrico's employment agreement provides for change in control protection consisting of a lump sum payment of one times his annual salary if he is terminated following a change in control event. The Agreement also provides for a severance payment of up to three months base salary if he is terminated without cause.

Ms. Heidi DeWyngaert was named the president of The Bank of New Canaan on March 27, 2009. Ms. DeWyngaert and the Company had previously entered into a three-year employment contract on March 10, 2008. This agreement was amended on March 29, 2009 and runs through March 9, 2011. The amended agreement provides for an annual base salary of \$210,000 effective June 1, 2009. Thereafter, she is eligible for annual salary increases as determined by the Board of Directors. Ms. DeWyngaert is eligible for a performance bonus of 20 to 50% of her base salary as declared by the Board of Directors based on the Company's Executive Incentive Plan. She is also entitled to benefits similar to those provided for other employees and a \$200 per month telephone and mileage allowance. Ms. DeWyngaert's employment agreement provides for change in control protection consisting of a lump sum payment of two times her annual salary if she is terminated following a change in control event. The Agreement also provides for a severance payment of up to six months base salary if she is terminated without cause.

Mr. G. Frederick Reinhardt was named the president of The Bank of Fairfield on May 15, 2009. Mr. Reinhardt and the Company entered into a one-year employment contract, which is from May 15, 2009 through March 15, 2010. The contract automatically renews for an additional year unless terminated by either party. The agreement provides for an annual base salary of \$185,000. Thereafter he is eligible for annual salary increases as determined by the Board of Directors. Mr. Reinhardt is eligible for a performance bonus as declared by the Board of Directors based on the Company's Executive Incentive Plan. He is also entitled to benefits similar to those provided for other employees and a \$500 per month

telephone and mileage allowance. Mr. Reinhardt was granted 10,000 stock options subject to a five-year vesting period. Mr. Reinhardt's employment agreement provides for change in control protection consisting of a lump sum payment of one times his annual salary if he is terminated following a change in control event. The Agreement also provides for a severance payment of up to six months base salary if he is terminated without cause.

Julie Turner, the Chief Financial Officer of the Bank of New Canaan and The Bank of Fairfield entered into a twenty four-month employment contract with the Company on May 1, 2009. The contract is from May 1, 2009 through May 1, 2011. The agreement provides for an annual base salary of \$110,000 and thereafter, she is eligible for annual salary increases. Ms. Turner is eligible for a performance bonus of 10 to 30% of her base salary as declared by the Board of Directors based on the Company's Executive Incentive Plan. She is also entitled to benefits similar to those provided for other employees and a \$200 per month telephone and mileage allowance. Ms. Turner's employment agreement provides for change in control protection consisting of a lump sum payment of one times her annual salary if she is terminated following a change in control event. The Agreement also provides for a severance payment of up to six months base salary if she is terminated without cause.

Mr. Peter Kirk formerly, the President of BNC Financial Group, Inc, retired from the Company on April 30, 2010.

3. Employee Benefits

(a) Stock Option Plan

On June 25, 2003, the Shareholders adopted the 2002 Bank Management, Director and Founder Stock Option Plan (2002 Plan). Under the 2002 Plan, 152,200 shares were made available to be issued as options. On July 26, 2006, the Shareholders approved the 2006 Stock Option Plan (2006 Plan). Under the 2006 Plan, 47,800 shares were made available to be issued as options. On July 26, 2007, Shareholders adopted the 2007 Bank of New Canaan Stock Option and Equity Award Plan, 165,244 shares were made available for issuance as stock options and restricted stock. As of Dec. 31, 2009 of the 365,244 stock awards authorized under the 2002, 2006, and 2007 Plans, 262,998 options have been issued to Employees, Directors and Founders, and 12,000 and 30,000 shares of restricted stock have been issued to Mr. Frederick R. Afragola and Mr. Merrill Jay Forgotson. There were 2,000 options exercised in 2004, 387 options exercised in 2008 and 2,000 options exercised in 2009. There are 55,859 stock awards available to be issued as of December 31, 2009.

The following table sets forth the total number of securities authorized for issuance under equity compensation plans as of December 31, 2009.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of restricted shares issued and vested	Number of restricted shares issued but not vested	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by shareholders	262,998	\$14.74	5,000	20,000	55,859
Equity compensation plans not approved by shareholders	0	0	0	0	0
Total	262,998	\$14.74	5,000	20,000	55,859

(b) Qualified Retirement and 401(k) Benefit Plan

The Company and Bank's retirement benefit plan consists solely of a 401(k) Retirement Plan that was effective October 1, 2002. The 401(k) Plan is administered by Mass Mutual, with professional oversight by Rollin Schuster of Schuster – Driscoll & Company. Employees may elect to contribute through salary deductions on a before tax basis. The maximum contribution per employee allowed by law for 2008 was \$15,500 plus an additional "catch-up" contribution of \$5,000 if age 50 or over. In 2009, employees may contribute up to an IRS maximum of \$16,500 plus an additional "catch-up" contribution of \$5,500 if age 50 or over. The Company provides a discretionary matching contribution, which totaled \$57,594 and \$107,341 for 2009 and 2008, respectively. The Company or Banks match is 50% of the first 6% of employee contributions. In 2008, The Bank of New Canaan made a profit sharing contribution to all eligible employees based on the Bank's record earnings.

4. Indebtedness of Directors, Officers and Management

The aggregate amount of extensions of credit, including overdraft protection, to Directors and Officers, including their immediate families and other associates, was \$8,133,873 as of December 31, 2009. Of the foregoing indebtedness, \$8,125,564 were loans secured by mortgages held on local real estate. All extensions of credit were made in the ordinary course of business on substantially the same terms, including interest rates, collateral and repayment terms, as those prevailing at the time for comparable transactions with others and do not represent more than a normal risk of collectibility or present other unfavorable features. The Banks expect to have similar banking transactions in the future on comparable terms and conditions. All of these loans are performing as agreed.

5. Transactions with Directors, Officers, and Associates

In addition to the transactions noted above with respect to indebtedness of Directors, Officers and Management and the employment agreements mentioned in this proxy the Company and its affiliates paid approximately \$148,283 for consulting fees and legal services. Of this, \$130,760 was paid for consulting fees and \$17,523 for legal services to law firms of which principals are Directors of the Company.

6. Director Compensation

Compensation Philosophy

The Company and Banks believe that to successfully recruit and retain talented Directors of the caliber needed to effectively direct the Company and the Banks, its Director Compensation package should be within the upper 25% of its banking peer group. The Banks consider banks of similar asset size located in Connecticut, Westchester County, and New York City to be their peer group. The Company also believes that Director Compensation should serve to solidify the alignment of the shareholders interests with that of the Board of Directors and relate to the success of the Company or affiliate. Historically, no Director fees are paid until an affiliate achieves sustained profitability.

Shown below is the Company's 2009 Directors Compensation Structure.

<u>Annual Retainers</u>	<u>Director Fees</u>
	<u>2009</u>
	(\$)
Board Chairperson	8,000
Vice Chairman	2,000
Committee Chairperson	1,000
Board Member	2,000
Per Board Meeting	325
Per Committee Meeting	200

This compensation was set by the Board of Directors after careful and extended evaluation and consideration of the recommendation of an independent Consultant hired by the Personnel and Compensation Committee to review the Board's compensation relative to its affiliates and its peer groups.

The Directors of the Company's affiliates are eligible to receive Directors fees from that affiliate. The Company and affiliate fees are reviewed and approved by the Company's Personnel and Compensation Committee. The Company established a Deferred Director Compensation Plan in 2008. Directors who receive fees are eligible to participate in the "BNC Financial Group, Inc. and Affiliates Deferred Compensation Plan for Directors." The Plan is a non-qualified deferred compensation plan designed to enable non-employee directors to defer receipt of compensation on a tax-advantaged basis. The Plan invests solely in the Common Stock of the Company, which is purchased in the open market. The Plan is administered by an independent third party.

The following table sets forth for the year ended December 31, 2009, the compensation paid or awarded by the Company to each of the Directors.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value & Nonqualified Deferred Compensation Earnings	All Other Compensation (\$) ⁽¹⁾	Total (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Eric Dale	\$6,050	0	0	0	0	0	6,050
Blake Drexler	13,450	0	0	0	0	0	13,450
James A. Fieber	7,850	0	0	0	0	0	7,850
Mark Fitzgibbon	3,425	0	0	0	0	0	3,425
William J. Fitzpatrick, III	5,800	0	0	0	0	0	5,800
Merrill Jay Forgotson ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Christopher Gruseke ⁽³⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Daniel S. Jones	6,725	0	0	0	0	0	6,725
Peter Kirk ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Carl Kuehner	5,650	0	0	0	0	0	5,650
Todd Lampert	6,125	0	0	0	0	0	6,125
Victor Liss	6,250	0	0	0	0	0	6,250
Ron Miller	5,125	0	0	0	0	0	5,125
T. Brock Saxe	7,450	0	0	0	0	0	7,450
Total	\$73,900	0	0	0	0	0	73,900

- (1) Compensation in the form of perquisites and other personal benefits provided by the Company has been omitted for each Director as the total amount of those perquisites and personal benefits constituted less than \$10,000 for 2009.
- (2) Directors who are Executives of the Company or any of its affiliates are not eligible to receive compensation for their service as a Director.
- (3) Mr. Gruseke was not a Director in 2009.

Management recommends that you vote FOR the election of each of the Director nominees.

**PROPOSAL 2 -
APPROVAL OF AN AMENDMENT TO THE CERTIFICATE OF INCORPORATION
TO INCREASE THE AUTHORIZED SHARES
OF COMMON STOCK OF THE COMPANY TO 10,000,000 SHARES**

The Board of Directors recommends approval of an amendment to the Company's Certificate of Incorporation to increase the authorized common stock from 5,000,000 to 10,000,000 shares of common stock. Please find attached as Appendix A the full text of the amendment.

Currently, the authorized capital stock of the Company is 5,000,000 shares of common stock and 100,000 shares of preferred stock. As of April 15, 2010, 2,479,349 shares of common stock were issued and outstanding, 365,244 shares of common stock were either issued or reserved under the Plans and 304,740 shares of common stock were reserved for the warrants issued with the BNC's October 26, 2006 Stock Offering and the July 10, 2007 Private Placement. As of April 15, 2010, 5,037 shares of preferred stock were issued and outstanding.

The Board of Directors is currently considering and evaluating several capital enhancement strategies based on the Company's current and forecasted growth trends and strategic plans. The Board believes it also to be prudent to have a sufficient number of shares authorized and available in connection with its future strategic opportunities, including the possibility of a future stock offering of the Company. Neither the Company's Certificate of Incorporation nor state law provide for preemptive rights whereby existing shareholders have a right to purchase a percentage of any new issue of shares equal to his or her percentage of ownership of the already outstanding shares of the Company. Further, any issue of additional shares beyond the already outstanding shares may operate to dilute such percentage ownership unless a shareholder purchases additional shares in proportion to their current ownership. The Board of Directors believes the proposed amendment to increase the authorized capital stock of the Company is in the best interest of the Company and its shareholders.

Management recommends that you vote FOR the amendment to the Certificate of Incorporation as proposed.

PROPOSAL 3 – APPROVAL TO EXTEND THE WARRANT EXERCISE PERIOD

In connection with the reorganization of The Bank of New Canaan into a holding company structure, with BNC Financial Group, Inc. becoming the holding company of The Bank of New Canaan and, later, The Bank of Fairfield, in 2006 a public offering, and, in 2007, a private placement of Units were conducted. Some of the Company's shareholders are also Unitholders. Each Unit consists of one share of common stock of the Company and an attached Warrant. Each Warrant gives a Unitholder a right to purchase .3221 shares of Company common stock at \$18.00 per share. The exercise period for the Warrants was originally October 1, 2009 through November 30, 2009. Due to economic conditions in 2009, the Company's strong capital position and the Company's short-term capital needs, the Company's Board of Directors decided to extend the exercise period as permitted under the Warrant Agreement to October 1, 2012 through December 1, 2012. A notice of this extension was provided to all Unitholders, as required under the Warrant Agreement.

The Company's Board of Directors has determined that it is in the best interests of the Company and its shareholders to extend the exercise period from October 1, 2012 through December 1, 2012 to October 1, 2014 through December 1, 2014 based on a number of considerations, including, the Company's current strategic plan, the cost of registering the Warrants and the shares of Company common stock issuable upon exercise of the Warrants under federal securities laws, the market price of bank stocks generally and the specific effect on the Company's stock in particular, and the Company's anticipated short and long-term capital needs. Under the Warrant Agreement, the Company's Board of Directors has the authority to extend the exercise period without approval of the Unitholders. The Board, however, has determined that the approval of the extension described in this Proposal 3 should also be made by shareholders and that a majority of those shares voting will be necessary to authorize the extension.

Management recommends that you vote FOR the extension of the Warrant exercise period as proposed.

**PROPOSAL 4 –
APPROVAL TO AMEND THE WARRANT EXERCISE PRICE**

As described in Proposal 3, the Warrants are exercisable at a purchase price equal to \$18.00 per share. Each Warrant gives a Unitholder the right to purchase .3221 shares of Company common stock. In connection with the Company's strategic planning and various other considerations, the Board of Directors has determined that it is in the best interests of the Company and its shareholders to amend the Warrant Exercise Price so that it will be equal to the per share purchase price of Company common stock offered in the Company's next stock offering. For example, if the Company offers shares of Company common stock equal to \$15.00 per share in its next offering, the Warrant Exercise Price would be reduced to \$15.00 per share. The Company's Board of Directors has made this determination based on a number of various factors and considerations, including, the fact that the Warrants were originally exercisable in 2009 (two or three years from the initial purchase of the Units) and now are exercisable in 2012 (five or six years from the initial purchase of the Units), or, assuming Proposal 3 is approved in 2014 (seven or eight years from the initial purchase of the Units) and the determination of Warrant exercise price made in 2006 and 2007 is of little relevance so many years later, in particular given the economic turmoil experienced in the United States and abroad since 2008 and the consequent effect on the market prices of bank stocks.

At the present time, the Company has not made any decisions regarding the timing of its next offering or the pricing of its next offering. The Board, however, has determined that the approval of this amendment to the Warrant Exercise Price should be made by all shareholders, not just the Unitholders owning Warrants, and has determined that the required approval shall be by a majority of those shares voting.

Should we mention we are evaluating a private placement in 2010 since we will be sending out the accredited questionnaire?

Management recommends that you vote FOR the amendment to the Warrant Exercise Price as proposed.

OTHER MATTERS

The Board of Directors is not aware of any matters proposed to be brought before the meeting other than the matters described herein. If any other matters are properly brought before the meeting, it is the intention of the persons authorized to vote the proxies to do so in accordance with their judgment in the best interests of the Company with respect to such matters.

BY ORDER OF THE BOARD OF DIRECTORS



Merrill Jay Forgotson
Chief Executive Officer

May 19, 2010

Appendix A

The first five lines of Article III of BNC Financial Group, Inc.'s Certificate of Incorporation is proposed to be amended as follows (language proposed to be deleted appears in brackets and new language appears in bold and underscore):

THIRD: Capital Stock. The amount of the capital stock of the Corporation hereby authorized is [FIVE MILLION ONE HUNDRED THOUSAND (5,100,000) shares, which shall be divided into classes as follows: FIVE MILLION (5,000,000) shares of common stock (the "Common Stock"), no par value per share; and] **TEN MILLION ONE HUNDRED THOUSAND (10,100,000) shares, which shall be divided into classes as follows: TEN MILLION (10,000,000) shares of common stock (the "Common Stock"), no par value per share; and**

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