

Board of Governors of the Federal Reserve System



Annual Report of Holding Companies—FR Y-6

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies, top-tier savings and loan holding companies, and U.S. intermediate holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

I, Samuel S. Spencer, Jr.

Name of the Holding Company Director and Official

President

Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Samuel S. Spencer, Jr.
 Signature of Holding Company Director and Official

03/15/2019

Date of Signature

For holding companies not registered with the SEC—
 Indicate status of Annual Report to Shareholders:

- is included with the FR Y-6 report
- will be sent under separate cover
- is not prepared

For Federal Reserve Bank Use Only

RSSD ID 2148586
 C.I. _____

Date of Report (top-tier holding company's fiscal year-end):

December 31, 2018

Month / Day / Year

N/A

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

Lea County Bancshares, Inc.

Legal Title of Holding Company

P O Box 400

(Mailing Address of the Holding Company) Street / P.O. Box

Hobbs NM 88241-0400

City State Zip Code

1017 N Turner Hobbs NM 88240

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Roy Moshier Treasurer

Name Title

575-397-6649

Area Code / Phone Number / Extension

575-397-6618

Area Code / FAX Number

roy.moshier@lcsb.com

E-mail Address

https\www.onlinelcsb.com

Address (URL) for the Holding Company's web page

Is confidential treatment requested for any portion of this report submission?	0=No 1=Yes	<u>0</u>
In accordance with the General Instructions for this report (check only one),		
1. a letter justifying this request is being provided along with the report	<input type="checkbox"/>	
2. a letter justifying this request has been provided separately ...	<input type="checkbox"/>	
NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."		

For Use By Tiered Holding Companies

Top-tiered holding companies must list the names, mailing address, and physical locations of each of their subsidiary holding companies below.

Legal Title of Subsidiary Holding Company

(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box

City State Zip Code

Physical Location (if different from mailing address)

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City State Zip Code

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City State Zip Code

Physical Location (if different from mailing address)

Annual Report of Bank Holding Companies
as of December 31, 2018
for Lea County Bancshares, Inc.
(FR Y-6)

Report Item 1: Lea County Bancshares, Inc. is not registered with the Securities and Exchange Commission.

Report Item 2a: Lea County Bancshares, Inc., Hobbs, New Mexico, State of Incorporation: New Mexico, owns 100% of the stock of:

- a) Lea County State Bank
Hobbs, New Mexico
State of Incorporation: New Mexico
- b) Bank Direct Mortgage Corporation
Hobbs, New Mexico
State of Incorporation: New Mexico
- c) LCBI Properties, LLC. (Lea County Bancshares, Inc., Managing member)
Hobbs, New Mexico
State of Incorporation: New Mexico

No entity has a Legal Entity Identifier (LEI)

Report Item 2b: Domestic Branch Listing. Branch verification report completed and emailed to structure.verification@dal.frb.org

Report Item 3(1): Shareholders with ownership, control or holding of 5% or more as of fiscal year end December 31, 2018. All Shareholders of Lea County Bancshares, Inc. are residents of the States of New Mexico or Texas. The country of Citizenship or Incorporation for all shareholders and entities is the United States.

SHAREHOLDERS LEA COUNTY BANCSHARES, INC.	COMMON STOCK SHARES	% OF OWNERSHIP OF LCBI
Dunn Family Trust Robert C. Dunn, Jr., Trustee Rio Rancho, New Mexico	4,340	7.90917%

Report Item 3. Continued

Keith W. Pearson Seminole, Texas	10,501	19.13692%
Samuel S. Spencer, Jr. Hobbs, New Mexico	10,295	18.76150%
W. Trent Stradley Seminole, Texas	6,016	10.96350%
Walker Stradley Seminole, Texas	3,642	6.63714%
Michael K. Pearson Hobbs, New Mexico	6,170	11.24415%
Sambaiah Kankanala Hobbs, New Mexico	3,641	6.63532%
Cynthia Pearce Hobbs, New Mexico	3,505	6.38748%

Report Item 3(2): None

Report Item 3. Continued

Keith W. Pearson Seminole, Texas	10,501	19.13692%
Samuel S. Spencer, Jr. Hobbs, New Mexico	10,295	18.76150%
W. Trent Stradley Seminole, Texas	6,016	10.96350%
Walker Stradley Seminole, Texas	3,642	6.63714%
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Sambaiah Kankanala Hobbs, New Mexico	3,641	6.63532%
Cynthia Pearce Hobbs, New Mexico	3,505	6.38748%

Report Item 3(2): None

Report Item 4: Insiders

(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

(1) Name, City, State, Country	(2) Principal Occupation if other than with Holding Company	(3)(a) Title and Position with Holding Company	(3)(b) Title and Position with Subsidiaries (include names of subsidiaries)	(3)(c) Title and Position with Other Businesses (include names of other businesses) in which the person is a director, trustee, partner, or executive officer.	(4)(a) Percentage of Voting Shares in Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnership) if 25% or more of voting securities are held (List names of companies & percentage of voting securities held)
Robert C. Dunn, Jr. Rio Rancho NM USA	Retired/ Investor	Director/VP	Director, Bank Direct Mortgage Corporation	Manager Veinte Cinco LLC Trustee Dunn Family Trust Trustee Robert C Dunn Sr	7.90917%* *The Dunn Family Trust, whose trustee is Robert C. Dunn, Jr., owns these shares.	N/A	100% Veinte Cinco LLC 50% Dunn Family Trust
Keith W Pearson Seminole TX USA	Wholesale fuel distributor	Director	N/A	President Pearson Oil Co Inc President K W Fuels Inc Partner MPOC LLC Partner MPOC LLC II	19.13692%	N/A	50% Pearson Oil Co Inc 50% K W Fuels Inc 30% MPOC LLC 30% MPOC LLC II
Samuel S. Spencer, Jr. Hobbs NM USA	Banker	Director/ President	President/CEO, Lea County State Bank Chairman, Bank Direct Mortgage Corporation	Member/Manager Argus Holdings LLC Member Argus Holdings II LLC Member/Manager SSS Enterprises LLC Trustee The Spencer Family Trust Trustee Abby Spencer Tate Trust Trustee Bret A. Tate Trust f/b/o Abby Tate Trustee Bret A. Tate Trust f/b/o Taylor Schwarz Trustee Bret A. Tate Trust f/b/o Ben Tate Member/Manager Gryphon Investments LLC Additional Signor Dexter B & B LLC Additional Signor Latimer Farm LLC	18.76150%	N/A	25% Argus Holdings LLC 25% Argus Holdings II LLC 100% SSS Enterprises LLC
W Trent Stradley Seminole TX USA	Rancher	Director	N/A	Director/Exec Officer S W Cattle Company Director/Exec Officer M B & T Corporation Manager, Stradley Ltd	10.96350%	N/A	45% S W Cattle Company 100% M B & T Corporation 89% Stradley Ltd
Walker Stradley Seminole TX USA	Farmer	Director	N/A	Limited Partner, Stradley Ltd Director/Exec Officer, S W Cattle Company Director, Century Club	6.63714%	N/A	N/A
Michael K Pearson Hobbs NM USA	Wholesale fuel distributor	Director	N/A	Vice President, Pearson Oil Inc Vice President, K W Fuels Inc Manager, MPOC LLC Manager, MPOC LLC II	11.24415%	N/A	50% Pearson Oil Inc 50% K W Fuels Inc 70% MPOC LLC 70% MPOC LLC II

From FR Y-6
 Lea County Bancshares, Inc.
 Fiscal Year Ending December 31, 2018

Report Item 4: Insiders
 (1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

Sambaiah Kankanala Frisco TX USA	Physician	Director	N/A	Partner, Hobbs Eagles Capital II LLC Partner, Hobbs Eagles Capital IV LLC Partner, Hobbs Eagles Capital VI LLC Partner, Hobbs Eagles Capital VII Partner, Hobbs Capital Villages LLC Partner, Rio Bravo Resources LLC Partner, Hobbs Capital Elan LLC Partner, Hobbs Capital North Point LLC Member, Kankamala's Sons LLC	6.63532%	N/A	N/A
Cynthia Pearce Hobbs NM USA	Manager	Director	N/A	Executive Officer, Trinity Industries Inc Manager, LFT LLC Manager, Festivities LP Manager, Gree LLC Director, Stevan & Cynthia Pearce Charitable Foundation Manager, Exedra LLC Member, Bonafide Ventures LLC	6.38748%	N/A	50% Trinity Industries Inc 50% LFT LLC 50% Festivities LP 50% Exedra LLC
Robert Wallach Hobbs NM USA	Rancher/Oil & Gas	Director	N/A	Managing Partner, Richard's Energy Compression LLC Manager, Walco Ranch LLC Manager, Dos Amigos Air LLC	4.29173%	N/A	36% Richard's Energy Compression LLC 30% Walco Ranch LLC 50% Dos Amigos Air LLC
Paul Campbell Hobbs NM USA	Investor	Director	N/A	Partner, Cuatro Partners LLC Partner, Forrest Properties LLC Partner, Forrest Investments LLC	1.54903%* *Campbell Family Trust, whose trustee is Paul Campbell, owns these shares	N/A	25% Cuatro Partners LLC 25% Forrest Investments LLC
Bruce Sharp Midland TX USA	Oil & Gas	Director	N/A	President, RWS Holdings, Inc. President, Reeco Well Services, Inc. President, Manager, Longhorn Tubular Services, Inc. Manager, Ceniza Air, LLC Manager, Longhorn Enterprises, LLC	1.54903%* *The Bruce Sharp Management Trust, whose trustee is Bruce Sharp, owns these shares	N/A	58% RWS Holdings, Inc.
Roy Moshier Hobbs NM USA	Banker	Treasurer	SVP/CFO, Lea County State Bank Treasurer, Bank Direct Mortgage Corp	N/A	.98409%	N/A	N/A

Results: A list of branches for your holding company: LEA COUNTY BANCSHARES, INC. (2148586) of HOBBS, NM.
 The data are as of 12/31/2018. Data reflects information that was received and processed through 04/03/2019.

Reconciliation and Verification Steps

1. In the **Data Action** column of each branch row, enter one or more of the actions specified below
2. If required, enter the date in the **Effective Date** column

Actions

- OK:** If the branch information is correct, enter 'OK' in the **Data Action** column.
- Change:** If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the **Data Action** column and the date when this information first became valid in the **Effective Date** column.
- Close:** If a branch listed was sold or closed, enter 'Close' in the **Data Action** column and the sale or closure date in the **Effective Date** column.
- Delete:** If a branch listed was never owned by this depository institution, enter 'Delete' in the **Data Action** column.
- Add:** If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the **Data Action** column and the opening or acquisition date in the **Effective Date** column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.
 If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:
 To satisfy the **FR Y-10 reporting requirements**, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a **Data Action** of **Change, Close, Delete, or Add**.
 The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - <https://y10online.federalreserve.gov>.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
		Full Service (Head Office)	1015252	LEA COUNTY STATE BANK	1017 NORTH TURNER	HOBBS	NM	88240	LEA	UNITED STATES	Not Required	Not Required	LEA COUNTY STATE BANK	1015252	
		Limited Service	646855	NORTH GRIMES OFFICE	3927 NORTH GRIMES STREET	HOBBS	NM	88240	LEA	UNITED STATES	Not Required	Not Required	LEA COUNTY STATE BANK	1015252	
		Full Service	779856	LOVINGTON BRANCH	320 S MAIN AVENUE	LOVINGTON	NM	88260	LEA	UNITED STATES	Not Required	Not Required	LEA COUNTY STATE BANK	1015252	