

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75265-5906

Notice 08-33
September 24, 2008

ELECTION OF DIRECTORS REPORT OF NOMINATIONS—VOTING PROCEDURES

To All Member Banks in the Eleventh Federal Reserve District:

In accordance with the provisions of Section 4 of the Federal Reserve Act and the announcement dated August 12, 2008, in regard to the election of directors of this Bank to succeed Richard W. Evans, Jr., Class A Director, and James B. Bexley, Class B Director, whose terms expire December 31, 2008, the names of the candidates nominated for such directorships and the names of the banks that made the nominations are set out on pages 3 through 5.

I also enclose for each bank in Group 1 a preferential ballot for use in voting for a Class A Director and for each bank in Group 2 a preferential ballot for use in voting for a Class B Director. An envelope bearing on its face the certificate in regard to the vote and an envelope marked "Ballot," in which the ballot is to be sealed, are also provided. The ballot and certificate on the envelope must be executed by an officer who has been authorized to cast the vote. To ensure the confidentiality of the balloting, please do not write the name of the bank or of the voting officer on the ballot but only on the certificate envelope. When several banks are subsidiaries of a bank holding company,* **the voting forms are being sent only to the bank designated to participate in this election;** therefore, banks in Groups 1 and 2 that will not participate in this election are being sent this notice, without forms, only for their information.

Please follow carefully the instructions that are printed on the ballot and the certificate envelope.

The following procedure is required in the case of both the Class A and Class B ballots:

- (1) The preferential ballot should be marked.**
- (2) It should then be placed in the envelope marked "Ballot" and the envelope sealed.**
- (3) After the certificate on the certificate envelope is executed, the sealed envelope should be placed within the certificate envelope.**
- (4) The sealed certificate envelope containing the sealed ballot envelope should then be returned to me in the enclosed self-addressed envelope.**

Under the law, the ballot must be returned to me within 15 days after its receipt. The polls will open on October 8, 2008, and close at 2 p.m. on October 23, 2008. At that time, the ballots will be opened, the votes counted, and the results of the election announced. The candidates are invited to be present or represented on that occasion.

*Section 4 of the Federal Reserve Act, as amended, reads in part as follows:

"..That whenever any member banks within the same Federal Reserve district are subsidiaries of the same bank holding company within the meaning of the Bank Holding Company Act of 1956, participation in any such nomination or election by such member banks, including such bank holding company if it is also a member bank, shall be confined to one of such banks, which may be designated for the purpose by such holding company."

The Board of Governors of the Federal Reserve System has ruled that a holding company affiliate, having one or more subsidiary banks in each of the three groups into which member banks of a Federal Reserve district are divided for the purpose of electing directors, may designate one such bank in each group to participate in the nomination and election of each Class A Director and each Class B Director chosen by the group of which such bank is a member and such member bank so designated may validly participate in such nomination and election. **Accordingly, banks in Groups 1 and 2 affected by the foregoing provision of law are requested to take prompt action to have the appropriate bank holding company designate, if it has not already designated, one of such banks to participate in this election.**

While the banks in Group 3 will not vote in this election, this notice is sent to them, without forms, for their information. Group 3 consists of member banks with combined capital and surplus of \$3,500,000 and under.

Sincerely,

A handwritten signature in black ink that reads "James T. Hackett". The signature is written in a cursive style with a large, sweeping initial "J".

James T. Hackett
Chairman of the Board

Enclosures (4)

IMPORTANT

For your information, there is quoted below an extract from Section 4 of the Federal Reserve Act that sets forth the method of balloting:

"Within fifteen days after receipt of the list of candidates the duly authorized officer of a member bank shall certify to the chairman his first, second, and other choices for director of Class A or Class B, respectively, upon a preferential ballot upon a form furnished by the chairman of the board of directors of the Federal Reserve Bank of the district. Each such officer shall make a cross opposite the name of the first, second, and other choices for a director of Class A and for a director of Class B, but shall not vote more than one choice for any one candidate."

In the case of the Class A ballots (Group 2), where there are three candidates involved, a member bank, in making its first and second choice, will be deemed to have indicated the remaining candidate as its third choice. Failure to indicate at least first and second choices may invalidate the entire ballot.

**CANDIDATES FOR CLASS A DIRECTOR
(Listed Alphabetically)**

George A. Fisk

President and Chief Executive Officer
LegacyTexas Group Inc.
Plano, Texas

George A. Fisk is president and chief executive officer of LegacyTexas Group Inc., a \$1.5 billion bank holding company with commercial bank, insurance and title company subsidiaries. LegacyTexas Group operates primarily in the Dallas–Fort Worth metroplex.

A native of Dallas, Fisk has over 35 years of professional experience with financial institutions. He was a certified public accountant in public practice for 30 years, serving as audit partner for McGladrey & Pullen, LLP and its predecessor firms. His experience was concentrated in financial institutions, commercial companies and not-for-profit organizations. He joined LegacyTexas Group in February 2004 and has served in his current capacity since shortly after joining the company.

Fisk holds a B.A. in government from Texas Tech University and an M.B.A. in banking and finance from the University of North Texas. He is currently licensed as a certified public accountant.

Fisk serves on various boards, including The Independent BankersBank (TIB) and Freeman Cos., where he sits on the audit committee of each company. His involvement also includes Jesuit College Preparatory School, Hendrick Academy, the Chief Executives Roundtable, as well as numerous professional organizations.

Nominated by the following banks in Group 1:

TEXAS

- Citizens National Bank Henderson, Texas
- Comerica Bank..... Dallas, Texas
- Community Bank Granbury, Texas
- Community National Bank Midland, Texas
- First National Bank of Midland..... Midland, Texas
- HCSB, A State Banking Institution..... Plainview, Texas
- Inwood National Bank..... Dallas, Texas
- LegacyTexas Bank..... Plano, Texas
- Southwest Bank..... Fort Worth, Texas
- TIB - The Independent BankersBank Irving, Texas
- The Frost National Bank San Antonio, Texas

NOTE—A list of the banks in Group 1, showing the officers authorized to cast the vote of each bank, is given on page 6 and 7 of this notice.

CANDIDATES FOR CLASS A DIRECTOR—Continued

Greg D. Morse

Chief Executive Officer
Worthington National Bank
Fort Worth, Texas

Nominated by the following bank in Group 1:

TEXAS

Worthington National Bank..... Arlington, Texas

Greg D. Morse is chief executive officer of Worthington National Bank in Fort Worth, Texas. He began his banking career in 1983 with Continental National Bank. Most of his career was spent with J.P. Morgan and its predecessors and Frost Bank. He started Worthington National Bank in 2002.

Morse is chairman of Tarrant County Blue, a Wish with Wings and the Arlington Library Foundation. He is past chair of the Arlington Police Foundation and sits on the boards of the Fort Worth Police Foundation, Arlington Children's Toys Inc. and Ducks Unlimited. He is also active with Downtown Fort Worth Inc., the Downtown Arlington Rotary Club and numerous chambers of commerce. In the past, he has been active on the American Heart Association Board, the Arlington Human Services Board, the Arlington Museum Board, the Downtown Arlington Board, Leadership Arlington, Leadership Fort Worth, the Metro Christian Academy Board, the Texas Bankers Association and St. Alban School Board.

Morse received a B.B.A. from Southern Methodist University, an M.B.A. from Texas Christian University and a graduate banking degree from Southwestern Graduate School of Banking.

NOTE—A list of the banks in Group 1, showing the officers authorized to cast the vote of each bank, is given on page 6 and 7 of this notice.

CANDIDATE FOR CLASS B DIRECTOR

James B. Bexley

Professor of Finance
Sam Houston State University
Huntsville, Texas

Jim Bexley holds the Smith-Hutson Endowed Chair of Banking at Sam Houston State University in Huntsville, Texas. Bexley joined the university 11 years ago, teaching finance and banking subjects. Previously, he was president and chief executive officer of Cardinal Bancorp and one of its subsidiaries, First American National Bank of Pennsylvania.

In addition to his teaching and endowed chair position at the university, Bexley serves as a member of the President’s Executive Leadership Council, chairman of the Athletic Advisory Council of the university and as a member of the College of Business Administration Advisory Board. Bexley also serves as a consultant to companies and financial institutions, specializing in corporate governance, strategic planning and strategic marketing. He formerly served on the board of directors of the Society for the Advancement of Management, board of regents of Lambuth University and on the Governor’s Select Committee on Private Sector Initiatives for the State of Texas.

He is the author of five books: *Selling Financial Products*, *Directors’ Duties & Responsibilities in Financial Institutions*, *Banking Management*, *The Bank Director* and *Oil and Gas Legal Forms*. Additionally, he has written more than 100 articles in the areas of finance, banking, service quality and corporate governance. Bexley is currently the editor of the *Journal of Commercial Banking and Finance*.

Allied Academies named Bexley the recipient of its highest award, the Larry R. Watts Award for distinguished service. He was also awarded the Silver Beaver Award by the National Council of the Boy Scouts of America for his adult leadership and service to scouting.

Bexley holds a B.B.A. in finance from the University of Texas at El Paso, an M.B.A. from the University of Houston, a J.D. from Blackstone School of Law and a Ph.D. from the University of Stirling, Stirling, Scotland.

Nominated by the following banks in Group 2:

TEXAS

- Brazos Valley Bank..... College Station, Texas
- Business Bank of Texas, N.A.....Austin, Texas
- Community National Bank and Trust
of TexasCorsicana, Texas
- First National Bank of Huntsville..... Huntsville, Texas
- Legend Bank Bowie, Texas
- Lubbock National Bank..... Lubbock, Texas
- Peoples Bank Lubbock, Texas
- Texas First BankTexas City, Texas
- TexStar National Bank Universal City, Texas
- The Brenham National Bank Brenham, Texas
- The First National Bank of BallingerBallinger, Texas

NOTE—A list of the banks in Group 2, showing the officers authorized to cast the vote of each bank, is given on pages 8 and 9 of this notice.

GROUP 1

Consists of all member banks with combined capital and surplus of \$15,000,000 and over.

Banks in this group elect one Class A Director.

NEW MEXICO		
Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Artesia	The First National Bank of Artesia.....	Chairman, President, Vice President, Cashier
TEXAS		
Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Abilene	First Financial Bank, NA.....	Chairman, President, Vice President, Cashier
Amarillo	Amarillo National Bank	Chairman, President, Vice President, Cashier
Arlington	Worthington National Bank	Chairman, President, Vice President, Cashier
Beaumont	CommunityBank of Texas, NA.....	President, CEO, Cashier
Bellaire	Community National Bank.....	President
Bellaire	Tradition Bank	*
Bellville	The First National Bank of Bellville.....	President, Vice President, Cashier
Crockett	First Community Bank East Texas, NA.....	*
Dallas	Bank of Texas, NA	Chairman, President, CEO, Senior Controller
Dallas	Comerica Bank.....	Chairman, President, CEO, Vice Chairman, CFO
Dallas	Inwood National Bank of Dallas	President
Dallas	Texas Capital Bank, NA.....	*
Dallas	TIB The Independent BankersBank	President, CEO
Edinburg	First National Bank.....	Chairman, President, Vice President, Cashier
El Paso	Bank of the West.....	Chairman
Fort Worth	Southwest Bank	*
Granbury	Community Bank.....	Chairman, President, Cashier
Henderson	Citizens National Bank	Cashier
Houston	Amegy Bank, NA.....	President, CEO
Houston	American First National Bank.....	President
Houston	Encore Bank, NA.....	Chairman, President, Corporate Secretary
Houston	Golden Bank, NA	*
Houston	Green Bank, NA	Chairman, President
Houston	ICON Bank of Texas, NA	*
Houston	Metrobank, NA	Chairman, President, Vice President, Cashier
Houston	Post Oak Bank, NA	Chairman, President, Vice President, Cashier
Houston	Southwestern National Bank.....	President
Houston	Woodforest National Bank.....	Chairman, President, Vice President, Cashier
Jacksboro	The First National Bank of Jacksboro.....	Chairman, President, Vice President, Cashier
Jacksonville	Austin Bank, Texas NA	Chairman, President, Vice President, Cashier
Kingsville	Kleberg First National Bank of Kingsville	Chairman, President, Vice President, Cashier
Lubbock	Lone Star State Bank of West Texas	President
Lubbock	PlainsCapital Bank	Chairman, President
Marble Falls	American Bank of Texas, NA.....	Chairman, CEO
McAllen	Inter National Bank.....	Chairman, President, Cashier
Meridian	First Community Bank Central Texas NA	Chairman, Vice President, Cashier
Midland	Community National Bank.....	President
Midland	First National Bank of Midland	Chairman, President, CEO
Midland	West Texas National Bank.....	President
Mineral Wells	First Financial Bank, NA.....	*
Odessa	Western National Bank	Chairman, President, Vice President, Cashier
Pasadena	Texas Citizens Bank, NA	Chairman, President, Vice President, Cashier
Pharr	Lone Star National Bank	President, Vice President, Cashier
Plainville	HCSB, A State Banking Association.....	President
Plano	LegacyTexas Bank	Chairman, CEO, Vice President
Refugio	San Antonio National Bank	*
San Angelo	San Angelo National Bank	**
San Antonio	Broadway National Bank	Chairman, President, Vice President, Cashier
San Antonio	The Frost National Bank.....	President, Vice President, Cashier
San Antonio	Lone Star Capital Bank, NA	Chairman, President, CEO
Somerset	Texas Community Bank, NA.....	Chairman, President, Vice President, Cashier
Southlake	First Financial Bank, NA.....	**

GROUP 1 — Continued

TEXAS — Continued

Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Stephenville	First Financial Bank, NA.....	**
Temple	Extraco Banks, NA.....	President
Texarkana	Century Bank, NA.....	*
The Woodlands	Texas Community Bank, NA.....	President, Vice President, Cashier
Tomball	First Community Bank The Woodlands, NA.....	*
Victoria	First Victoria National Bank.....	Chairman, President, Vice President, Cashier
Weatherford	Weatherford National Bank.....	**

*No designation of authorized officer on file.
 **Multi-bank holding company subsidiary (non-voting bank).

GROUP 2

Consists of all member banks with combined capital and surplus of over \$3,500,000 but under \$15,000,000

Banks in this group elect one Class B Director.

LOUISIANA		
Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Arcadia	First National Bank.....	President
Bossier City	Citizens National Bank, NA.....	President
Ruston	National Independent Trust Company.....	Chairman, President
NEW MEXICO		
Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Carlsbad	The Carlsbad National Bank.....	*
Portales	The James Polk Stone National Bank.....	President
TEXAS		
Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Abilene	Citizens Bank, NA.....	President
Alvin	First National Bank of Alvin.....	President, EVP
Alvin	Texas Advantage Community Bank, NA.....	President, CEO
Anahuac	Anahuac National Bank.....	President
Andrews	The National Bank of Andrews.....	President, Cashier
Austin	Business Bank of Texas, NA.....	President
Ballinger	Ballinger National Bank.....	President, EVP
Ballinger	The First National Bank of Ballinger.....	Chairman, President, VP
Bastrop	The First National Bank of Bastrop.....	Chairman, President, VP, Cashier
Big Spring	The State National Bank of Big Spring.....	Chairman, President, VP, Cashier
Blanco	The Blanco National Bank.....	President, VP, Cashier
Borger	First National Bank of Borger.....	**
Bowie	Legend Bank, NA.....	President
Breckenridge	Citizens National Bank of Breckenridge.....	**
Brenham	Bank of Brenham, NA.....	President
Brenham	The Brenham National Bank.....	Chairman, President, VP, Cashier
Burkburnett	First Bank.....	President
Burleson	First National Bank of Burleson.....	President
Canadian	First State Bank of Canadian, NA.....	**
Cleburne	First Financial Bank, NA.....	President, VP
Coleman	First Coleman National Bank.....	Cashier
College Station	Brazos Valley Bank, NA.....	President
Comanche	The Comanche National Bank.....	President
Conroe	First Bank of Conroe, NA.....	President
Corpus Christi	American Bank, NA.....	President
Corsicana	Community National Bank and Trust of Texas.....	President, VP, Cashier
Dallas	One World Bank.....	President
Dallas	Professional Bank, NA.....	President
Dallas	T Bank, NA.....	Chairman, President, VP, Cashier
Dallas	Town North Bank, NA.....	Chairman, President, SVP, Cashier
Dallas	United Texas Bank.....	President
Decatur	North Texas Bank, NA.....	*
Eastland	First Financial Bank, NA.....	*
El Campo	Newfirst National Bank.....	President, Cashier
El Paso	First National Bank.....	*
El Paso	United Bank of El Paso Del Norte.....	Chairman, President, EVP, Cashier
Flower Mound	First Security Bank, NA.....	Chairman, President, VP, Cashier
Fort Worth	Fort Worth National Bank.....	*
Fort Worth	Trinity Bank, NA.....	Chairman, President
Fort Worth	Woodhaven National Bank.....	President, EVP
Freeport	Texas Gulf Bank.....	*
Friena	Friena State Bank, NA.....	**
Frisco	Texas Republic Bank, NA.....	*
Galveston	Moody National Bank.....	Chairman, President, EVP
Gatesville	National Bank.....	Chairman, President, VP, Cashier
Giddings	First National Bank of Giddings.....	CEO
Gonzales	American National Bank.....	President
Graham	Graham National Bank.....	**

GROUP 2 — Continued

TEXAS — Continued

Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Hereford	The First National Bank of Hereford.....	President
Highland Village	United Community Bank, NA	President
Houston	First Community Bank, NA	*
Houston	Houston Community Bank, NA	Chairman, Vice Chairman, President
Houston	Independence Bank, NA	*
Houston	Omnibank, NA.....	Chairman, President, VP, Cashier
Houston	The State Bank of Texas	Chairman
Houston	Unity National Bank of Houston	Chairman, Co-Chairman
Hughes Springs	The First National Bank of Hughes Springs	Chairman
Huntsville	First National Bank of Huntsville	Chairman, President, VP, Cashier
Iowa Park	State National Bank of Texas	Chairman, President, VP, Cashier
Irving	Independent Bank of Texas	President, CEO, CFP, Cashier
Jacksonville	Texas National Bank of Jacksonville	Chairman, President
Keller	American Bank, NA.....	*
Kerrville	Guadalupe National Bank	Chairman, President
Kilgore	Kilgore National Bank.....	President
Killeen	First National Bank Texas	Chairman, President, VP, Cashier
Lamesa	The Lamesa National Bank.....	Chairman, President, VP, Cashier
Liberty	The First Liberty National Bank.....	Chairman, President
Livingston	The First National Bank of Livingston.....	Chairman, President, VP, Cashier
Livingston	First State Bank	*
Lubbock	Lubbock National Bank	Chairman, President, EVP
Lubbock	Peoples Bank	Chairman, President, Cashier
McAllen	Border Capital Bank, NA	President
Mercedes	Texas National Bank.....	Chairman, President, VP
Mexia	Incommons Bank, NA	*
Mineral Wells	First State Bank of Mineral Wells.....	President
Monahans	First National Bank of Monahans	Chairman, President, CEO, CFO, VP, Cashier
Nacogdoches	Commercial Bank of Texas, NA	President
Pecos	Transpecos Bank.....	VP, Cashier
Pilot Point	Pointbank	President, Cashier
Plano	Fidelity Bank, NA.....	President
Port Lavaca	First National Bank in Port Lavaca	President
Quitman	Wood County National Bank	President
Ralls	Security Bank.....	Chairman, President, VP, Cashier
Richardson	Opportunity Bank, NA	*
San Angelo	Crockett National Bank.....	President
San Benito	First Community Bank, NA	President
Sanger	Sanger Bank	Chairman, President
Seguin	First Commercial Bank, NA	President
Slaton	Citizens Bank	Chairman, President, EVP, SVP
South Padre Island	South Padre Bank, NA	President
Sugar Land	First Community Bank Fort Bend, NA	*
Sulphur Springs	The City National Bank of Sulphur Springs.....	President, VP, Cashier
Sweetwater	First Financial Bank, NA.....	President, EVP
Sweetwater	Texas National Bank.....	Chairman, President
Terrell	The American National Bank of Texas	Chairman, President, VP, Cashier
Texarkana	First National Bank.....	Chairman, President, VP, Cashier
Texas City	Texas First Bank	Chairman, President
Trenton	The First National Bank of Trenton	President
Universal City	Texstar National Bank	Chairman
Van Alstyne	Texas Star Bank	President
Vernon	The Waggoner National Bank of Vernon	President, VP
Waco	American Bank NA.....	Chairman, President, Cashier
Waco	Central National Bank	President, VP, Cashier
Waco	First National Bank of Central Texas	President, VP, Cashier
Waxahachie	Citizens National Bank of Texas	President
Wellington	Wellington State Bank.....	President
Wichita Falls	American National Bank.....	President
Wichita Falls	First National Bank.....	Chairman, President, Cashier
Winnsboro	The First National Bank of Winnsboro.....	Chairman, President, VP, Cashier

*No designation of authorized officer on file.

**Multi-bank holding company subsidiary (non-voting bank).

Directors of the Federal Reserve Bank of Dallas
As of
September 24, 2008

Name	Occupation	Elected by Banks in Group	Class	Term Expires Dec. 31
Richard W. Evans, Jr.....	Chairman and Chief Executive Officer, Cullen/Frost Bankers Inc., San Antonio, Texas	1	A	2008
Pete Cook.....	Chief Executive Officer, First National Bank in Alamogordo, Alamogordo, New Mexico	3	A	2009
Joe Kim King.....	Chief Executive Officer, Brady National Bank Brady, Texas	2	A	2010
James B. Bexley.....	Professor of Finance, Sam Houston State University, Huntsville, Texas	2	B	2008
Margaret H. Jordan.....	President and Chief Executive Officer, Dallas Medical Resource, Dallas, Texas	1	B	2009
Robert A. Estrada.....	Chairman, Estrada Hinojosa & Company Inc., Dallas, Texas	3	B	2010
James T. Hackett <i>Chairman</i>	Chairman, President and Chief Executive Officer, Anadarko Petroleum Corporation, Houston, Texas	Appointed by the Board of Governors of the Federal Reserve System	C	2008
Herb Kelleher <i>Deputy Chairman</i>	Founder and Chairman Emeritus, Southwest Airlines Company, Dallas, Texas	Appointed by the Board of Governors of the Federal Reserve System	C	2010
Myron E. Ullman III.....	Chairman, J. C. Penney Company Inc. Plano, Texas	Appointed by the Board of Governors of the Federal Reserve System	C	2009