

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75265-5906

Notice 11-59
September 21, 2011

**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 9, 2011, in regard to the election of directors of this Bank to succeed George F. Jones Jr., Class A Director, and James B. Bexley, Class B Director, whose terms expire December 31, 2011, 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 ballot for use in voting for a Class A Director and for each bank in Group 2 a 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 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 5, 2011, and close at 2 p.m. on October 20, 2011. 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 under \$3,500,000.

Sincerely,

A handwritten signature in black ink that reads "Herb Kelleher". The signature is written in a cursive, slightly slanted style.

Herbert D. Kelleher
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 1), where there are two candidates involved, a member bank, in making its first choice, will be deemed to have indicated the remaining candidate as its second choice.

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

George F. Jones Jr.

President and Chief Executive Officer
Texas Capital Bancshares Inc.
Chief Executive Officer
Texas Capital Bank
Dallas, Texas

Jones is a graduate of both the University of North Texas with a bachelor's degree in business administration and the SW Graduate School of Banking at Southern Methodist University. He serves on the board of the Federal Reserve Bank of Dallas and is a member of the Audit Committee.

George F. Jones Jr. serves as chief executive officer of Texas Capital Bank and president and chief executive officer of its parent company, Texas Capital Bancshares Inc. (TCBI). He also serves on the boards of directors of TCBI and Texas Capital Bank. Jones was one of the founding executives of TCBI in 1998.

Jones has more than 30 years of banking experience that includes acquisitions and mergers of financial institutions and the purchasing of financial assets, as well as the founding of a highly successful banking venture overseas.

Before TCBI was formed, Jones was an organizer, shareholder and chairman of the board for Resource Bank Dallas. At Comerica Bank-Texas, Jones was executive vice president and manager of corporate banking. Prior to Comerica's acquisition of NorthPark National Corp. in 1993, he was president and CEO of NorthPark National Bank. His experience also includes leading Texas American Bank, Dallas, as president and CEO and vice president and manager of financial institutions with Mercantile National Bank, Dallas.

He is active with the Salesmanship Club of Dallas and is a past chairman of the Salesmanship Club Foundation board of trustees. He currently serves on the Better Business Bureau of Metropolitan Dallas Inc.'s board as treasurer and a member of the executive committee. Additionally, Jones is past chairman of the Cystic Fibrosis Foundation Dallas and formerly served on the Baylor Healthcare System's board of trustees.

Nominated by the following banks in Group 1:

TEXAS

- CommunityBank of Texas, NA Beaumont, Texas
- Inwood National Bank.....Dallas, Texas
- Citizens National BankHenderson, Texas
- Peoples Bank Lubbock, Texas
- Community National Bank.....Midland, Texas
- LoneStar National Bank.....Pharr, Texas

NOTE—A list of the banks in Group 1, showing the officers authorized to cast the vote of each bank, is given on pages 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.....Fort Worth, 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 in Fort Worth. Most of his banking career was spent with J.P. Morgan and its predecessors and Frost Bank. He started Worthington National Bank in 2002. In addition, he was an adjunct professor at the University of Texas at Arlington for 13 years.

Morse is currently on the boards of Southwestern Expedition and Livestock Show, Tarrant County Blue, a Wish with Wings, the Arlington Library Foundation and Ducks Unlimited. He is also active with Fort Worth Sister Cities, 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, the Fort Worth Police and Firefighter Memorial, Leadership Arlington, Leadership Fort Worth, the Texas Bankers Association and numerous school boards.

Morse received a BBA from Southern Methodist University, an MBA 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 pages 6 and 7 of this notice.

CANDIDATE FOR CLASS B DIRECTOR

Jorge A. Bermudez

President and Chief Executive Officer
The Byebrook Group
College Station, Texas

Jorge Bermudez is the president and CEO of the Byebrook Group, a small firm dedicated to research and advisory work in the financial services industry.

Bermudez is the former chief risk officer for Citigroup, a position he held from October 2007 to April 2008. During his tenure, he helped stabilize and re-architect the Citigroup Risk organization and Risk Management process.

From 1975 to 1981, he held various positions in Citibank's National Banking Group in New York and Houston, including vice president. As unit head of Institutional Recovery Management from 1981 to 1984, Bermudez was responsible for a number of major corporate restructurings in the United States, Europe and Latin America. He was named corporate bank head in Venezuela in 1984. Bermudez returned to New York in 1986 as the head of risk for the Corporate Banking Division in North America. In 1988 he was named head of credit policy for Latin America and head of risk for Citibank's International Banking Operations. He assumed responsibility for Global Asset Redeployment and Equity Investments in 1990. In 1993, he was appointed president of Citibank Argentina and in 1996 was named head of the South America Division.

He was named executive vice president and head of Global Cash Management and Trade in 1998, joining Citigroup's Management Committee. In 2000, he created Citibank's Corporate Banking Internet initiative and its delivery platform Citidirect. From 2002 to 2004, Bermudez was chief executive officer of Citigroup Latin America. From 2004 to 2005, he was senior advisor international. In 2006, Bermudez was named chief executive officer and president of Citigroup's Commercial Business Group in North America and Citibank Texas.

Bermudez presently serves as a board member of the Houston Branch of the Federal Reserve Bank of Dallas (chair pro tem); the Moody's Corporation (NY); the Electric Reliability Council of Texas (ERCOT) vice chair of the Finance & Audit Committee; and the Community Foundation of the Brazos Valley, Texas. He has served as a board member of Citibank, NA; Citicorp USA; the Council of the Americas (NY); MasterCard International, LAC; chairman New York Clearing House Steering Committee; Asociación De Bancos Argentinos (Argentina); FEMSA Group (Mexico); Norfield Children's Center (CT); Siembra Group (Argentina). Bermudez serves Texas A&M University on the International Board, College of Agriculture Development Council, Mays Business School Development Council and as chair of the board of the Association of Former Students. He is also a recipient of the College of Agriculture and Life Sciences Outstanding Alumnus Award and the Tyrus R. Timm Honor Registry.

He holds graduate and undergraduate degrees from Texas A&M University.

Nominated by the following banks in Group 2:

TEXAS

Citizens Bank, NA.....	Abilene, Texas
First National Bank of Ballinger	Ballinger, Texas
The National Banks of Central Texas.....	Gatesville, Texas
First National Bank of Huntsville.....	Huntsville, Texas
Waggoner National Bank of Vernon	Vernon, 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 member banks with combined capital and surplus of over \$15,000,000

Banks in this group elect one Class A Director.

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, CEO, President, Vice President, Cashier
Beaumont	CommunityBank of Texas, NA	CEO, President, Cashier
Bellaire	Community National Bank	President
Bellaire	Tradition Bank	Chairman, CEO, CFO
Bellville	First National Bank	President, Vice President, Cashier
Dallas	Comerica Bank	Chairman, Vice Chairman, CEO, President, CFO
Dallas	Inwood National Bank	President
Dallas	Plainscapital Bank	Chairman, President
Dallas	Texas Capital Bank, NA	President
Dallas	Tib The Independent Bankers Bank	CEO, President
Dallas	Town North Bank, NA	Chairman, President, Senior Vice President, Cashier
Dallas	United Texas Bank	President
Edinburg	First National Bank	Chairman, President, Vice President, Cashier
El Paso	Bank of The West	Chairman
Fort Worth	Community Bank	Chairman, President, Cashier
Fort Worth	Southwest Bank	Chairman
Henderson	Citizens National Bank	Cashier
Houston	Amegy Bank, NA	CEO, President
Houston	American First National Bank	President
Houston	Encore Bank, NA	Chairman, President, Corporate Secretary
Houston	Golden Bank, NA	Chairman, President, Executive Vice President, Cashier
Houston	Green Bank, National Association	Chairman, President
Houston	Icon Bank of Texas, NA	*
Houston	Independence Bank, 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	Wells Fargo Bank South Central, NA	*
Houston	Woodforest National Bank	Chairman, President, Vice President, Cashier
Jacksboro	First National Bank	Chairman, President, Vice President, Cashier
Jacksonville	Austin Bank, NA	Chairman, President, Vice President, Cashier
Kingsville	Kleberg First National Bank	Chairman, President, Vice President, Cashier
Laredo	Texas Community Bank, NA	Chairman, President, Vice President
Lubbock	Lone Star State Bank of West Texas	President
Lubbock	Peoples Bank	Chairman, President, Executive Vice President, Senior Vice President
Marble Falls	American Bank of Texas, NA	Chairman, CEO
McAllen	Inter National Bank	Chairman, President, Cashier
Midland	Bank of Texas	Chairman, President, Executive Vice President, CFO, Cashier
Midland	Community National Bank	President
Midland	First Capital Bank of Midland	Chairman, President, CEO
Midland	West Texas National Bank	President
Mineral Wells	First Financial Bank, NA	**
Nacogdoches	Commercial Bank of Texas, NA	Chairman, President
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
Plainview	HCSB, A State Banking Association	Chairman
Plano	LegacyTexas Bank	Chairman, CEO
Refugio	San Antonio National Bank	President, Vice President, Cashier
San Angelo	First Financial Bank, NA	**

GROUP 1 — Continued

TEXAS — Continued

Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
San Antonio	Broadway National Bank	Chairman, President, Vice President, Cashier
San Antonio	Frost National Bank	President, Vice President, Cashier
San Antonio	Lone Star Capital Bank	Chairman, President, CEO
Southlake	First Financial Bank, NA	Chairman, President, Vice President, Cashier
Stephenville	First Financial Bank, NA	**
Sugar Land	First Community Bank, NA	Chairman, President, Chief Financial Officer
Terrell	American National Bank of Texas	President
Texarkana	First National Bank	Chairman, President, Vice President, Cashier
Texas City	Texas First Bank	Chairman, President
The Woodlands	Texas Community Bank, NA	President, Vice President, Cashier
Universal City	Texstar National Bank	Chairman
Victoria	First Victoria National Bank	Chairman, President, Vice President, Cashier
Waco	Extraco Banks, NA	Chairman, CEO, President
Weatherford	First Financial Bank, NA	Vice President, Cashier

* No designation of authorized officer on file.

** Multibank holding company subsidiary (nonvoting bank).

GROUP 2

Consists of all member banks with combined capital and surplus of \$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.....	President, Vice President, Cashier*
TEXAS		
Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Abilene	Citizens Bank, NA.....	Chairman, President
Alvin	First National Bank of Alvin.....	President, Executive Vice President
Alvin	Texas Advantage Community Bank, NA	President
Anahuac	Anahuac National Bank	President
Andrews	The National Bank of Andrews	President, Cashier
Austin	Business Bank of Texas, NA.....	Chairman, President
Ballinger	Ballinger National Bank	President, Executive Vice President
Ballinger	The First National Bank of Ballinger	Chairman, President, Vice President
Bastrop	The First National Bank of Bastrop.....	Chairman, President, Vice President, Cashier
Big Spring	The State National Bank of Big Spring	Chairman, President, Vice President, Cashier
Blanco	The Blanco National Bank.....	President, Vice President, 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, Vice President, Cashier
Burleson	First National Bank of Burleson	President
Canadian	First State Bank of Canadian, NA.....	**
Cleburne	First Financial Bank, NA	**
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, Vice President, Cashier
Dallas	Professional Bank, NA.....	President
Dallas	T Bank, NA	Chairman, President, Vice President, Cashier
Decatur	North Texas Bank, NA	*
Eastland	First Financial Bank, NA	*
El Campo	NewFirst National Bank	President, Cashier
El Paso	United Bank of El Paso Del Norte	Chairman, President, Executive Vice President, Cashier
Fabens	First National Bank	President
Flower Mound	First Security Bank, NA	Chairman, President, Vice President, Cashier
Fort Worth	Trinity Bank, NA.....	Chairman, President
Fort Worth	Woodhaven National Bank	President, Executive Vice President
Freeport	Texas Gulf Bank.....	**
Friona	Friona State Bank, NA	**
Frisco	Texas Republic Bank, NA	President, Executive Vice President
Galveston	Moody National Bank	Chairman, President, Executive Vice President
Gatesville	The National Banks of Central Texas.....	Chairman, President, Vice President, Cashier
Giddings	First National Bank of Giddings	CEO
Gonzales	Sage Capital Bank.....	President
Graford	Titan Bank, NA	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	Houston Community Bank, NA	Chairman, Vice Chairman, President
Houston	Legacy Trust Company, NA	*
Houston	Omnibank, NA	Chairman, President, Vice President, 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, Vice President, Cashier
Iowa Park	State National Bank of Texas	Chairman, President, Vice President, Cashier
Irving	Independent Bank of Texas	President, CEO, CFO, Cashier
Jacksonville	Texas National Bank of Jacksonville	Chairman, President
Jasper	First National Bank	President
Kerrville	Guadalupe National Bank	Chairman, President
Kilgore	Kilgore National Bank	President
Killeen	First National Bank Texas	Chairman, President, Vice President, Cashier
Kingwood	The Mint National Bank	Chairman, President, Vice President, Cashier
Lamesa	The Lamesa National Bank	Chairman, President, Vice President, Cashier
Liberty	The First Liberty National Bank	Chairman, President
Linden	Texana Bank	Cashier
Livingston	The First National Bank of Livingston	Chairman, President, Vice President, Cashier
Livingston	First State Bank	**
Lubbock	Lubbock National Bank	Chairman, President, Executive Vice President
McAllen	Border Capital Bank, NA	President
Mercedes	Texas National Bank	Chairman, President, Vice President
Mexia	Incommons Bank, NA	*
Mineral Wells	First State Bank of Mineral Wells	President
Muleshoe	First Bank of Muleshoe	President
Pearland	Heritage Bank	Chairman, President, Senior Vice President
Pecos	Transpecos Bank	President, Vice President, Cashier
Pilot Point	Pointbank	President, Cashier
Port Lavaca	First National Bank in Port Lavaca	President
Quitman	Wood County National Bank	President
Ralls	Vista Bank	Chairman, President, Vice President, 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 State Bank	Chairman, President, Executive Vice President, Senior Vice President
South Padre Island	South Padre Bank, NA	President
Sulphur Springs	The City National Bank of Sulphur Springs	President, Vice President, Cashier
Sweetwater	First Financial Bank, NA	President, Executive Vice President
Sweetwater	Texas National Bank	Chairman, President
Trenton	The First National Bank of Trenton	President
Uvalde	Uvalde National Bank	**
Van Alstyne	Texas Star Bank	President
Vernon	The Waggoner National Bank of Vernon	President, Vice President
Waco	American Bank NA	Chairman, President, Cashier
Waco	Central National Bank	President, Vice President, Cashier
Waco	First National Bank of Central Texas	President, Vice President, 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, Vice President, Cashier

* No designation of authorized officer on file.

** Multibank holding company subsidiary (nonvoting bank)

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Directors of the Federal Reserve Bank of Dallas
As of
September 21, 2011

Name	Occupation	Elected by Banks in Group	Class	Term Expires Dec. 31
George F. Jones Jr.....	Chief Executive Officer, Texas Capital Bank Dallas, Texas	1	A	2011
Joe Kim King.....	Chief Executive Officer, Brady National Bank Brady, Texas	2	A	2013
Pete Cook.....	Chief Executive Officer, First National Bank in Alamogordo Alamogordo, New Mexico	3	A	2012
Margaret H. Jordan.....	President and Chief Executive Officer, Dallas Medical Resource Dallas, Texas	1	B	2012
James B. Bexley.....	Professor of Finance, Sam Houston State University Huntsville, Texas	2	B	2011
Elton M. Hyder.....	President, The EMH Corporation Fort Worth, Texas	3	B	2013
Herb Kelleher <i>Chairman</i>	Founder and Chairman Emeritus, Southwest Airlines Company, Dallas, Texas	Appointed by the Board of Governors of the Federal Reserve System	C	2013
Myron E. Ullman III..... <i>Deputy Chairman</i>	Chairman and Chief Executive Officer, J.C. Penney Company, Inc. Plano, Texas	Appointed by the Board of Governors of the Federal Reserve System	C	2012
Renu Khator	Chancellor/President, University of Houston Houston, Texas	Appointed by the Board of Governors of the Federal Reserve System	C	2011