

Federal Reserve Bank of Dallas

Dallas, Texas 75265-5906

Notice 99-68
August 24, 1999

SPECIAL ELECTION

CLASS B DIRECTOR NOMINATION PROCEDURES

To All Member Banks in the Eleventh Federal Reserve District:

A special election will be held under the provisions of Section 4 of the Federal Reserve Act to choose a successor to Robert C. McNair. Mr. McNair resigned as a Class B Director effective June 17, 1999, to pursue other interests. His successor will be elected to fill the unexpired portion of a three-year term ending December 31, 2000.

Mr. McNair was elected by banks in Group 1 (consisting of banks having capital and surplus of \$10,000,000 and over), and his successor will be chosen by the banks in this group. The banks composing Group 1 are listed on the following pages.

The group in which a member bank will be entitled to vote will be determined by its classification as of the date of this letter, even though its capital and surplus may subsequently change prior to the date of the election.

Except in the case of any member banks that are subsidiaries of the same bank holding company,* each bank in Group 1 is permitted to nominate one candidate for Class B Director. When several banks are subsidiaries of a bank holding company, the nomination form is being sent only to the bank designated to participate in this election; therefore, banks in Group 1 that will not participate in this election are being sent this notice, without forms, for their information. **The nominations must be made by resolution of the Board of Directors, certified to me and received in my office on or before September 24, 1999.** A form and return envelope for this purpose are enclosed. On October 6, a list of the candidates (indicating the nominating banks) and a preferential ballot will be mailed to each bank in the voting group. The ballot must be cast within 15 days after receipt. The polls will open at 9 a.m. on October 13 and close at 2 p.m. on October 28. At that time, the ballot box will be opened at this Bank, the votes counted, and the results of the election announced. The candidates are invited to be present or represented on that occasion.

In order to be counted, the ballot must be executed by an officer authorized to cast the vote. Officers so authorized are listed on the following pages. The authority conferred on these officers continues until revoked; they need not be redesignated. Each member bank that has not designated an officer or officers for the purpose of signing the ballot, or any bank that desires to change its designation, should do so by resolution of its Board of Directors and certify the designation to me **before** the polls close. A form for this purpose will be furnished upon request. **If the official signature of the officer or officers authorized to cast the ballot has not been filed with this Federal Reserve Bank, such official signature should be filed before the polls close.**

*Section 4 of the Federal Reserve Act 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 Group 1 affected by this 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 its banks to participate in this election.**

While the banks in Group 2 (consisting of banks having capital and surplus of over \$2,500,000 but under \$10,000,000) and Group 3 (consisting of banks having capital and surplus of \$2,500,000 and under) will not vote in this election, this notice is sent to them, without forms, for their information.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger B. H. A.", written in a cursive style.

Chairman of the Board

Enclosures (2)

**Information Concerning Eligibility for
Class B Directorship of a Federal Reserve Bank**

Section 4 of the Federal Reserve Act, as amended by the Federal Reserve Reform Act of 1977, contains the following provisions: "Class B shall consist of three members who shall represent the public and shall be elected without discrimination on the basis of race, creed, color, sex, or national origin, and with due but not exclusive consideration to the interests of agriculture, commerce, industry, services, labor, and consumers." "No director of Class B shall be an officer, director, or employee of any bank." "No Senator or Representative in Congress shall be a member of the Board of Governors of the Federal Reserve System or an officer or a director of a Federal Reserve Bank."

The Board of Governors of the Federal Reserve System has expressed the opinion "...that, to be consistent with the spirit and underlying principles of the Federal Reserve Act, it is inappropriate, as a general rule, for officers and directors of Federal Reserve Banks and Branches to hold partisan political or public office in the service of the United States, or of any state, territory, county, district, political subdivision, or municipality thereof, or to act as members of political party committees."

GROUP 1

Consists of all member banks having capital and surplus of \$10,000,000 and over.

Banks in this group elect one Class B Director.

LOUISIANA

Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Minden	Minden Bank & Trust Company	President

NEW MEXICO

Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Las Cruces	First Security Bank of Southern New Mexico, National Association	President, Vice President, Cashier

TEXAS

Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Abilene	First National Bank of Abilene	Chairman, President, Vice President, Cashier
Abilene	First State Bank, National Association	President
Amarillo	Amarillo National Bank	Chairman, President, Vice President, Cashier
Amarillo	First Bank Southwest, N. A.	President
Amarillo	The First National Bank Amarillo	President
Baytown	Citizens Bank and Trust Company of Baytown, Texas	Chairman
Bellaire	Citizens National Bank of Texas	President
Brenham	Texas National Bank	Chairman, President
Dallas	Bank of Texas, National Association	Tom E. Turner, Chairman; C. Thomas Abbott, President; Jane Colesar, Cashier & Sr. Vice President
Dallas	Bank One, Texas, National Association	Chairman

GROUP 1 — Continued

TEXAS		
Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Dallas	Inwood National Bank of Dallas	President
Dallas	Northern Trust Bank of Texas N.A.	President
Dallas	Texas Capital Bank, National Association	*
Dallas	TIB The Independent BankersBank	President, Chief Executive Officer
Dallas	U.S. Trust Company of Texas, National Association	Chairman, President, Senior Vice President
Edinburg	First National Bank	Chairman, President, Vice President, Cashier
El Paso	Bank of the West	Chairman
El Paso	Norwest Bank El Paso, N.A.	President
Garland	United Central Bank	President
Granbury	Community Bank	*
Henderson	Citizens National Bank	Cashier
Houston	American First National Bank	President
Houston	Banco Popular, National Association (Texas)	Chairman, President
Houston	Bank of Tanglewood, National Association	Chairman, President, Executive Vice President
Houston	Chase Bank of Texas, National Association	Chairman, President, Vice President, Cashier
Houston	First Bank Texas National Association	Chairman, President, Vice President, Cashier
Houston	MetroBank, National Association	Chairman, President, Vice President, Cashier
Houston	Northwest Bank, National Association	Chairman, President
Houston	Republic National Bank	President
Houston	Southwest Bank of Texas, N.A.	Chairman, President, Vice President, Cashier
Houston	Texas First National Bank	President
Houston	Wells Fargo Bank (Texas), National Association	Chairman of Executive Committee, President
Houston	Woodforest National Bank	Chairman, President, Vice President, Cashier
Hurst	Surety Bank, National Association	Chairman, President, Vice President, Cashier
Jacksonville	Austin Bank, Texas National Association	Chairman, President, Vice President, Cashier
Kilgore	City National Bank of Kilgore	President
La Porte	Bayshore National Bank of La Porte	President
Laredo	The Laredo National Bank	President, Vice President
Livingston	The First National Bank of Livingston	Chairman, President, Vice President, Cashier
Lubbock	Plains National Bank	Alan White, Chairman; John C. Owens, President; DeWayne V. Pierce, Senior Executive Vice President
Lubbock	State National Bank of West Texas	Chairman
Marble Falls	Marble Falls National Bank	President
McAllen	Inter National Bank	Chairman, President, Cashier
McAllen	Texas State Bank	Chairman, President, Cashier
Nacogdoches	Commercial Bank of Texas, N.A.	President
Pharr	Lone Star National Bank	President, Vice President, Cashier
Plainview	Hale County State Bank	Chairman
Plano	Legacy Bank of Texas	Chairman, President, Vice President, Cashier
Richardson	Canyon Creek National Bank	President
San Angelo	San Angelo National Bank	*
San Antonio	Broadway National Bank	Chairman, President, Vice President, Cashier
San Antonio	Caminoreal Bank, N.A.	Chairman, President and Chief Executive Officer
San Antonio	The Frost National Bank	President, Vice President, Cashier
San Antonio	Norwest Bank Texas, National Association	President, Vice President, Cashier
Temple	Extraco Banks, National Association	President
Victoria	Citizens National Bank	President
Victoria	First Victoria National Bank	Chairman, President, Vice President, Cashier
Weatherford	Texas Bank	President
Weatherford	Weatherford National Bank	Vice President and Cashier

**Directors of the Federal Reserve Bank of Dallas
As of August 24, 1999**

Name	Occupation	Elected by Banks in Group	Class	Term Expires Dec. 31
Gayle M. Earls	President and Chief Executive Officer, TIB The Independent Bankers Bank, Dallas, Texas	1	A	1999
Dudley K. Montgomery	President and Chief Executive Officer, The Security State Bank of Pecos, Pecos, Texas	2	A	2001
Kirk A. McLaughlin	President and Chief Executive Officer, Security Bank, Dallas, Texas	3	A	2000
VACANCY		1	B	2000
Dan Angel	President, Stephen F. Austin State University, Nacogdoches, Texas	2	B	1999
Julie Spicer England	Vice President, Texas Instruments, Dallas, Texas	3	B	2001
Roger R. Hemminghaus <i>Chairman</i>	Chairman of the Board, Ultramar Diamond Shamrock Corp., San Antonio, Texas	Appointed by the Board of Governors of the Federal Reserve System	C	2001
James A. Martin	Retired Second General Vice President, International Association of Bridge, Structural, Ornamental, and Reinforcing Iron Workers, Austin, Texas	Appointed by the Board of Governors of the Federal Reserve System	C	1999
H. B. Zachry, Jr.	Chairman and Chief Executive Officer, H. B. Zachry Company, San Antonio, Texas	Appointed by the Board of Governors of the Federal Reserve System	C	2000