

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75265-5906

Notice 13-21
July 29, 2013

ELECTION OF DIRECTORS
NOMINATION PROCEDURES

To All Member Banks
in the Eleventh Federal Reserve District:

An election will be conducted under the provisions of Section 4 of the Federal Reserve Act for the positions held by the following directors of this Bank, whose terms expire December 31, 2013:

Class A Director —	Joe Kim King Chief Executive Officer Brady National Bank Brady, Texas
Class B Director —	Elton M. Hyder President The EMH Corporation Fort Worth, Texas

Mr. King, the Class A Director, was elected by banks in Group 2, consisting of banks with combined capital and surplus of over \$3,500,000 but under \$15,000,000. At the conclusion of his present term, Mr. King will have served two three-year terms and is not eligible for reelection.

Mr. Hyder, the Class B Director, was elected by banks in Group 3, consisting of banks with combined capital and surplus of \$3,500,000 and under. At the conclusion of his present term, Mr. Hyder will have served one three-year term and is eligible for reelection.

The banks composing Groups 2 and 3 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,¹ each bank in Group 2 is permitted to nominate one candidate for Class A Director, and each bank in Group 3 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 Groups 2 and 3 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 and received in my office on or before August 29.** A form and return envelope for this purpose are enclosed. On September 10, a list of the candidates (indicating the nominating banks) and a preferential ballot will be mailed to each bank in the voting groups. The polls will open at 9 a.m. on September 24 and close at 2 p.m. on October 9. At that time, the ballot box will be opened at this Bank, the votes counted, and the results of the election announced.

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 Groups 2 and 3 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.**

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 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; please contact the Secretary's Office at the Federal Reserve Bank of Dallas (214-922-5016) for a copy of the form.

While banks in Group 1 will not vote in this election, this notice is sent to them, without forms, for their information. Group 1 consists of member banks with combined capital and surplus of \$15,000,000 and over.

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 (2)

**Information Concerning Eligibility for
Class A 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 A shall consist of three members, without discrimination on the basis of race, creed, color, sex, or national origin, who shall be chosen by and be representative of the stockholding banks." "No officer or director of a member bank shall be eligible to serve as a Class A director unless nominated and elected by banks that are members of the same group as the member bank of which he is an officer or director." "Any person who is an officer or director of more than one member bank shall not be eligible for nomination as a Class A director except by banks in the same group as the bank having the largest aggregate resources of any of those of which such person is an officer or director." "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 2

Consists of all member banks with combined capital (common stock + surplus without retained earnings)
of over \$3,500,000 but under \$15,000,000

Banks in this group elect one Class A Director.

Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
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Louisiana

Zone: Dallas

Arcadia First National Bank President

Texas

Zone: Dallas

Abilene	Citizens Bank, N.A	Chairman, President
Ballinger	Ballinger National Bank	Chairman, President, Chief Executive Officer
Ballinger	First National Bank of Ballinger	Chairman, President, Vice President
Big Spring	State National Bank	Chairman, President, Vice President, Cashier
Bowie	Legend Bank, N.A	President
Burleson	First National Bank of Burleson	President
Comanche	Comanche National Bank	President
Corsicana	Community National Bank & Trust of Texas	President, Vice President, Cashier
Daingerfield	Texas Heritage National Bank	President
Decatur	North Texas Bank, N.A	*
Flower Mound	First Security Bank, N.A	Chairman, President, Vice President, Cashier
Fort Worth	Trinity Bank, N.A	Chairman, President
Fort Worth	Woodhaven National Bank	President, Executive Vice President
Frisco	Texas Republic Bank, N.A	President, Executive Vice President
Gatesville	National Bank	Chairman, President, Vice President, Cashier
Gilmer	First National Bank of Gilmer	Chairman, President, Vice President, Cashier
Gladewater	Gladewater National Bank	Chairman, President, Vice President, Cashier
Graham	First National Bank in Graham	Chairman, President, Vice President, Cashier
Hereford	First National Bank of Hereford	President
Hughes Springs	First National Bank of Hughes Springs	Chairman
Iowa Park	State National Bank of Texas	Chairman, President, Vice President, Cashier
Irving	Independent Bank of Texas	President, Chief Executive Officer, Chief Financial Officer, Cashier
Kilgore	Kilgore National Bank	President
Killeen	First National Bank Texas	Chairman, President, Vice President, Cashier
Lamesa	Lamesa National Bank	Chairman, President, Vice President, Cashier

GROUP 2 — Continued

Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Linden	Texana Bank, NA	Cashier
Lubbock	Lubbock National Bank	Chairman, President, Executive Vice President
Mexia	Incommons Bank, N.A	*
Mineral Wells	First State Bank of Mineral Wells	President
Mineral Wells	Titan Bank, NA	President
Ozona	Crockett National Bank	*
Sanger	Sanger Bank	Chairman, President
Slaton	Citizens Bank	Chairman, President, Executive Vice President, Senior Vice President
Sonora	First National Bank of Sonora	President, Cashier
Sterling City	First National Bank of Sterling City	President, Vice President
Sulphur Springs	City National Bank of Sulphur Springs	President, Vice President, Cashier
Sweetwater	Texas National Bank	Chairman, President
Trenton	First National Bank of Trenton	President
Van Alstyne	Texas Star Bank	President
Vernon	Waggoner National Bank	President, Vice President
Waco	American Bank, N.A	Chairman, President
Waco	Central National Bank	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
Winnboro	First National Bank	Chairman, President, Vice President, Cashier

Zone: El Paso

STATE: NM – ZONE: ELP

Alamogordo	First National Bank in Alamogordo	Chairman, President, Executive Vice President, Vice President
Carlsbad	Carlsbad National Bank	President, Vice President, Cashier
Lordsburg	Western Bank	President
Andrews	The National Bank of Andrews	President, Cashier
El Paso	United Bank of El Paso del Norte	Chairman, President, Executive Vice President, Cashier
Fabens	First National Bank	President

Zone: Houston

Alvin	First National Bank of Alvin	President, Executive Vice President
Alvin	Texas Advantage Community Bank, NA	President
Anahuac	Anahuac National Bank	President
Brenham	Bank of Brenham Na	President
Brenham	The Brenham National Bank	Chairman, President, Vice President, Cashier
Conroe	First Bank, N.A	President
El Campo	Newfirst National Bank	President, Cashier
Freeport	Texas Gulf Bank, N.A	*
Galveston	Moody National Bank	Chairman, President, Executive Vice President
Giddings	First National Bank	Chief Executive Officer
Houston	Houston Community Bank	Chairman, Vice Chairman, President
Houston	Omnibank, N.A	Chairman, President, Vice President, Cashier
Houston	The State Bank of Texas	Chairman
Huntsville	First National Bank of Huntsville	Chairman, President, Vice President, Cashier
Jacksonville	Texas National Bank of Jacksonville	Chairman, President
Jasper	First National Bank	President
Kingwood	MINT National Bank	Chairman, President, Vice President, Cashier
Liberty	First Liberty National Bank	Chairman, President
Livingston	First National Bank of Livingston	Chairman, President, Vice President, Cashier
Livingston	First State Bank	*
Port Lavaca	First National Bank in Port Lavaca	President
Richwood	Brazos National Bank	*

Zone: San Antonio

GROUP 2 — Continued

Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Austin	Business Bank of Texas, N.A	Chairman, President
Bastrop	First National Bank	Chairman, President, Vice President, Cashier
Beeville	The First National Bank of Beeville	Chairman, President, Vice President, Cashier
Blanco	Blanco National Bank	President, Vice President, Cashier
Corpus Christi	American Bank, N.A	President
Gonzales	Sage Capital Bank	President
Hondo	Community National Bank	President
Hondo	The Hondo National Bank	Cashier
Karnes City	Karnes County National Bank	Chairman, President, Vice President, Cashier
Kerrville	Guadalupe National Bank	Chairman, President
McAllen	Border Capital Bank, Na	President
Mercedes	Texas National Bank	Chairman, President, Vice President
San Benito	First Community Bank, N.A	President
Seguin	First Commercial Bank, N.A	President
South Padre Island	South Padre Bank, N.A	President
Uvalde	Uvalde National Bank	**

* No designation of authorized officer on file.

** Multibank holding company subsidiary (nonvoting bank).

**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 3

Consists of all member banks with combined capital (common stock + surplus without retained earnings) of \$3,500,000 and under

Banks in this group elect one Class B Director.

Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Louisiana		
Zone: Dallas		
Benton	First National Bank of Benton	President
Mansfield	Progressive National Bank of Desoto Parish	Chairman, President
Texas		
Zone: Dallas		
Abilene	First State Bank	Chairman
Albany	First National Bank of Albany/Breckenridge	Chairman, President, Vice President
Amherst	The First National Bank of Amherst	President
Anson	The First National Bank of Anson	President, Vice President, Cashier
Aspermont	The First National Bank of Aspermont	President, Vice President, Cashier
Bells	The First National Bank of Bells/Savoy	President
Brady	Brady National Bank	President
Brady	The Commercial National Bank of Brady	Chairman, President, Vice President, Cashier
Brownwood	Citizens National Bank at Brownwood	President
Byers	First National Bank of Byers	President
Cameron	Citizens National Bank	Chairman, President, Vice President, Cashier
Cameron	Classic Bank, N.A	Chairman, President, Vice President, Cashier
Carthage	Panola National Bank	President
Chillicothe	First National Bank of Chillicothe	President
Colorado City	First Nat'L Bank of Colorado City	President
Colorado City	The City National Bank of Colorado City	Chairman, President, Vice President, Cashier
Cooper	First National Bank of Cooper	Vice President
Corsicana	City National Bank	President
Crosbyton	Citizens National Bank of Crosbyton	President, Vice President
Crowell	Crowell State Bank	Chairman, President, Vice President, Cashier
Dalhart	First National Bank in Dalhart	President
Dallas	American Bank, NA	President
Dallas	Preston National Bank	Chairman, Vice Chairman, President

GROUP 3 — Continued

Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Dawson	First Bank and Trust Company	Chairman, President, Vice President
Desoto	Bank of Desoto, N.A.	Chairman, President, Vice President, Cashier
Dublin	First National Bank of Dublin	Chairman
Dublin	The Dublin National Bank	President
Edgewood	First National Bank of Edgewood	Chairman, President, Vice President, Cashier
Eldorado	The First National Bank of Eldorado	President, Vice President, Cashier
Emory	The First National Bank of Emory	Vice President, Cashier
Evant	First National Bank of Evant	President, Vice President
Floydada	First National Bank of Floydada	President
Fort Hood	Fort Hood National Bank	Chairman, President, Vice President, Cashier
Fort Worth	The National Bank of Texas at Fort Worth	Chairman, President
Gilmer	Gilmer National Bank	President
Granbury	The First National Bank of Granbury	Vice President, Cashier
Groesbeck	First National Bank	Cashier
Groom	The State National Bank of Groom	Chairman, President, Vice President, Cashier
Hamlin	Hamlin National Bank	Chairman, President, Vice President, Cashier
Haskell	Haskell National Bank	Chairman, President, Vice President
Hico	First National Bank of Hico	Vice President
Hillsboro	Citizens National Bank	Chairman, President, Vice President, Cashier
Jacksboro	Jacksboro National Bank	Chairman, Vice President, Cashier
Kemp	First National Bank of Kemp	President
Kress	Kress National Bank	President
Lipan	First National Bank	President
Mc Gregor	First National Bank of McGregor	President, Vice President, Cashier
McLean	Bank of Commerce	President
Memphis	Memphis State Bank	**
Menard	Menard National Bank	President
Mertzton	First National Bank of Mertzton	President, Cashier
Moody	First National Bank of Moody	President
Mount Pleasant	The American National Bank of Mount Pleasant	President
Mount Vernon	First National Bank of Mount Vernon	President, Vice President
Muleshoe	First Bank of Muleshoe	President, Vice President
Naples	The Morris County National Bank	Chairman, President, Vice President, Cashier
Newcastle	Farmers National Bank of Newcastle	President, Vice President
Ore City	Security State Bank, N.A.	**
Ozona	Ozona National Bank	President
Paducah	First National Bank	President
Paris	Lamar National Bank	President
Paris	Liberty National Bank of Paris	Chairman, President, Vice President, Cashier
Perryton	Perryton National Bank	Chairman, President, Vice President, Cashier
Princeton	Citizens State Bank	**
Quanah	First Capital Bank	Chairman, President, Vice President, Cashier
Quitaque	First National Bank of Quitaque	President, Vice President, Cashier
Quitman	Bank Texas, N.A.	President
Rockwall	Lakeside National Bank	President
Rotan	First National Bank	President
San Saba	City National Bank of San Saba	President, Vice President, Cashier
Santa Anna	Santa Anna National Bank	Vice President, Cashier
Seymour	First National Bank of Seymour	Chairman, President, Vice President, Cashier
Spearman	First National Bank	President
Tahoka	First National Bank of Tahoka	Chairman, President, Vice President, Cashier
Texarkana	Commercial National Bank of Texarkana	Chairman, President, Vice President, Cashier
Throckmorton	First National Bank of Throckmorton	President, Vice President, Cashier
Tom Bean	First National Bank of Tom Bean	President
Valley Mills	First National Bank Bosque County	Chairman, President, Vice President, Cashier
Weatherford	First National Bank of Weatherford	**
West	State National Bank in West	President
Whitney	First National Bank in Whitney	**
Wills Point	Citizens National Bank of Wills Point	President

GROUP 3 — Continued

Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Zone: El Paso		
Fort Stockton	First National Bank of Fort Stockton	Chairman, President, Cashier
Marfa	Big Bend Banks, NA	Chairman, President, Vice President, Cashier, Asst. Cashier
Stanton	First National Bank of Stanton	President
Zone: Houston		
Anderson	The First National Bank of Anderson	Chairman, President, Vice President, Cashier
Crockett	Citizens National Bank	Chairman, President, Vice President, Cashier
Eagle Lake	The First National Bank of Eagle Lake	President
Galveston	Hometown Bank, N.A.	Chairman, President, Vice President, Cashier
La Grange	National Bank & Trust	Chairman, President, Vice President, Cashier
Lake Jackson	First National Bank of Lake Jackson	President
Palestine	East Texas National Bank of Palestine	President
Trinity	First National Bank of Trinity	President, Vice President
Zone: San Antonio		
Cotulla	Stockmens National Bank in Cotulla	Chairman, President, Vice President
Falfurrias	The First National Bank in Falfurrias	President
Falls City	The Falls City National Bank	Chairman, President, Vice President, Cashier
George West	First National Bank	Chairman, President, Vice President, Cashier
Granger	Granger National Bank	Chairman, President, Vice President, Cashier
Hebbronville	The First National Bank of Hebbronville	President
Junction	First State Bank	President
Junction	Junction National Bank	President, Vice President, Cashier
Llano	Llano National Bank	President
Lockhart	First-Lockhart National Bank	President
Pleasanton	Atascosa National Bank	President, Vice President, Cashier
South Padre Island	First National Bank of South Padre I	Chairman
Taylor	City National Bank of Taylor.....	Chairman, President, Vice President, Cashier
Woodsboro	First National Bank of Woodsboro	Cashier
Yoakum	Yoakum National Bank	Chairman, President, Cashier
Zapata	Zapata National Bank	Chairman, 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
July 29, 2013

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	2014
Joe Kim King.....	Chief Executive Officer, Brady National Bank Brady, Texas	2	A	2013
Allan James Rasmussen.....	President and Chief Executive Officer, HomeTown Bank, NA Galveston, Texas	3	A	2015
Ann B. Stern.....	President and Chief Executive Officer, Houston Endowment Inc. Houston, Texas	1	B	2015
Jorge A. Bermudez.....	President and Chief Executive Officer, The Byebrook Group, LLC College Station, Texas	2	B	2014
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>	Chief Executive Officer, J.C. Penney Company Inc. Plano, Texas	Appointed by the Board of Governors of the Federal Reserve System	C	2014
Renu Khator.....	Chancellor/President, University of Houston Houston, Texas	Appointed by the Board of Governors of the Federal Reserve System	C	2014