

FEDERAL RESERVE BANK
OF DALLAS

Dallas, Texas, November 4, 1949

NOMINATION AND ELECTION OF DIRECTORS
(By Member Banks in Groups 1 and 3)

The member banks in Group 2 will not participate in this election, and this circular is sent to them without forms for their information only.

To the Member Banks of Groups 1 and 3
in the Eleventh Federal Reserve District:

In accordance with the provisions of Section 4 of the Federal Reserve Act and my circular letter dated September 30, 1949, in regard to the election of directors of this bank to succeed Mr. J. Edd McLaughlin, Class A director, and Mr. George L. MacGregor, Class B director, whose terms will expire December 31, 1949, there are listed in this circular the names of the individuals nominated, together with the names of the banks nominating them.

Accompanying this circular is a ballot upon which you should record your vote, together with the necessary envelopes for use in sending your ballot to me. Please follow carefully the instructions which are printed on the ballot and on the envelopes.

The vote of your bank may be cast only by an officer whose authorization by the Board of Directors to vote in these elections has been certified to me as indicated on the list in my circular letter of September 30, 1949, or subsequently changed by a certified authorization. If you so desire, you may change your authorization by the proper action of your Board of Directors, but any such change must be certified to me before the close of the polls.

The polls will open on November 7, 1949, and close at 2:00 p.m. on November 22, 1949. Consequently, your ballot must be received here not later than 2:00 p.m., November 22, 1949, at which time the ballot box will be opened in the Board Room of this bank, the votes counted, and the results of the election announced. The nominees are invited to be present or represented on that occasion.

Each member bank entitled to vote in this election is urged to do so. Please mark your ballot carefully and send it to me in the enclosed envelope at your earliest convenience after the opening of the polls.

Yours very truly,
J. R. PARTEN
Chairman of the Board

IMPORTANT

Please read carefully the instructions herein contained and the form of preferential ballot enclosed. Unless a ballot of a voting member bank is prepared, authenticated and cast in strict accordance with said instructions, the election tellers will have no option except to disregard such ballot.

The ballot of each member bank must be cast by an officer previously empowered to do so by action of its Board of Directors, certified to me upon forms furnished for the purpose.

My circular letter of September 30, 1949, giving notice of this election, contained a list of member banks in Groups 1 and 3, showing the officers who were then authorized to cast votes in directors' elections. Unless a bank has since changed its authorization, by corporate action duly certified to me, no officer, except as designated on that list, can cast a vote in behalf of his bank.

Under the procedure for the election by member banks of Federal Reserve Bank directors, the vote will be by secret ballot, and no one will know the vote of any bank. As there will be no opportunity for any prior inspection of ballots for irregularities, the officer casting the ballot is requested to use special care in its preparation.

For your information, there are quoted below extracts from Section 4 of the Federal Reserve Act which set forth the method of balloting and the manner in which the votes are to be counted:

"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 and 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. No officer or director of a member bank shall be eligible to serve as a class A director unless nominated and elected by banks which are members of the same group as the member bank of which he is an officer or director.

"Any candidate having a majority of all votes cast in the column of first choice shall be declared elected. If no candidate have a majority of all the votes in the first column, then there shall be added together the votes cast by the electors for such candidates in the second column and the votes cast for the several candidates in the first column. The candidate then having a majority of the electors voting and the highest number of combined votes shall be declared elected. If no candidate have a majority of electors voting and the highest number of votes when the first and second choices shall have been added, then the votes cast in the third column for other choices shall be added together in like manner, and the candidate then having the highest number of votes shall be declared elected. An immediate report of election shall be declared."

Interpretation: In elections held prior to 1948, the Board of Governors had taken the position that where there were only two candidates, failure of a voting member bank to indicate both a first choice and a second choice rendered its ballot invalid. In December 1947, however, the Board of Governors considered this matter again and concluded that the requirements of the law, above quoted, are met if each voting member bank marks only one choice. In such case the voting member bank will be deemed to have indicated the other candidates as its second choice. The enclosed ballot has been prepared on the basis of the revised procedure, and instructions for its use are printed thereon. This procedure eliminates the necessity of invalidating a ballot merely because a voting officer overlooked indicating a second choice.

"Whenever any two or more member banks within the same Federal reserve district are affiliated with the same holding company affiliate, participation by such member banks in any such nomination or election shall be confined to one of such banks, which may be designated for the purpose by such holding company affiliate."

The member banks in the Eleventh Federal Reserve District are grouped as follows for the purpose of electing Class A and Class B directors of the Federal Reserve Bank of Dallas: Group 1 consists of banks with capital and surplus of \$650,000 and over; Group 2 consists of banks with capital and surplus of over \$150,000 and less than \$650,000; and Group 3 consists of banks with capital and surplus of \$150,000 and less.

Please forward your ballot so that it will reach this office on or before 2:00 p.m., November 22, 1949. If the ballot is received after that time, it cannot be counted.

NOMINEES FOR CLASS A DIRECTOR

J. EDD McLAUGHLIN

Vice President, Security State Bank & Trust Company
Ralls, Texas

Mr. McLaughlin was born on a farm in Childress County on February 1, 1894, later moving with his parents to Collingsworth County, then to Gray County, and in 1905 to Crosby County, where he has resided continuously since that date. He was educated in the public schools of Texas, the West Texas State Teachers College in Canyon, and the Brantley-Draughons Business College of Fort Worth. Upon leaving school in 1912 he was placed in charge of the private institution "W. E. McLaughlin Banker" founded by his father in that year and incorporated in 1918. He has served as Executive Vice President and Director of that institution since its organization. He is joint proprietor and executive of "The McLaughlins," land holdings and investments, and owns and operates extensive farming and other properties.

Mr. McLaughlin has served as President of the Cap Rock Bankers Association; President of the South Plains Bankers Association; Chairman of the Seventh District, Treasurer, and member of the Executive Committee of the Texas Bankers Association; President of the Ralls Chamber of Commerce; President of the Ralls Rotary Club; a Governor, Chairman of the Investment Committee, member of the Finance Committee, and Director from the United States of Rotary International. He is now serving as Director of the Ralls Chamber of Commerce; Trustee of the First Methodist Church; Finance Chairman, member of the Executive Council, and National Council member from the South Plains Area of the Boy Scouts of America, from which he is recipient of the Silver Beaver award. He is also Chairman of the Crosby County Savings Bond Committee.

Nominated by the Following Banks in Group 3:

New Mexico

Lovington..... Lovington National Bank

Texas

Anton..... Citizens State Bank
Aransas Pass..... The First State Bank, Aransas Pass, Texas
Bailey..... First National Bank of Bailey
Brenham..... The Farmers National Bank in Brenham
Comanche..... State National Bank in Comanche
Crosbyton..... Citizens National Bank of Crosbyton
Dawson..... The First National Bank of Dawson
Decatur..... The First National Bank in Decatur
Eagle Lake..... First National Bank
Gorman..... First National Bank
Hale Center..... First National Bank of Hale Center
Haskell..... Haskell National Bank

Hempstead..... Citizens State Bank
Henrietta..... The First National Bank of Henrietta
Kerrville..... First State Bank
La Feria..... First National Bank of La Feria
Lakeview..... First National Bank of Lakeview
Lorenzo..... Lorenzo State Bank
Marlin..... Marlin National Bank
Mart..... Farmers & Merchants National Bank
Mart..... First National Bank
Mexia..... First National Bank of Mexia
Morton..... First State Bank
Newton..... First National Bank
Post..... The First National Bank of Post
Quitaque..... First National Bank
Ralls..... Security State Bank & Trust Company
Rosebud..... Planters National Bank
Rule..... The Farmers National Bank of Rule, Texas
Seminole..... Seminole State Bank
Seymour..... The Farmers National Bank of Seymour
Shamrock..... Farmers & Merchants State Bank of Shamrock
Spur..... Spur Security Bank
Taft..... The First State Bank of Taft
Teague..... First National Bank of Teague
Throckmorton..... The First National Bank of Throckmorton
Wolfe City..... Wolfe City National Bank in Wolfe City
Yorktown..... First State Bank of Yorktown

W. H. WOELLERT

Cashier, First National Bank
Poth, Texas

Mr. Woellert was born on a farm near Poth, Wilson County, Texas, on January 20, 1902. He has spent his entire life in Wilson County, moving to Poth in 1913, where his father, the late R. J. Woellert, was one of the organizers of the First National Bank. He did part-time work at his father's bank while attending public school in Poth, and in 1918 graduated from Draughons Business College in San Antonio, Texas. Upon graduation, he accepted a position as bookkeeper at the First National Bank in Poth, Texas. He was elected Assistant Cashier in 1919, which position he held until the death of his father in 1940, at which time he was named Cashier and assumed active management of the bank. He is also owner of an insurance agency, which he started in 1920.

Nominated by the Following Bank in Group 3:

Texas

Rockport..... First National Bank

NOMINEE FOR CLASS B DIRECTOR

GEORGE L. MacGREGOR

Chairman of the Board, President and General Manager
Dallas Power & Light Company

Dallas, Texas

Mr. MacGregor was born in Little Rock, Arkansas, October 29, 1901. He attended the public schools of Waco, Texas, and the Engineering School of the University of Texas, receiving a Bachelor of Science degree in Electrical Engineering in 1923. His early experience was obtained in the shops and offices of the Westinghouse Electric Corporation in East Pittsburgh, Pennsylvania.

He entered the employment of the Dallas Power & Light Company as a Sales Engineer in 1929. He was elected Director and Vice President in March 1939, Vice President and General Manager in March 1940, and President in March 1941. He was elected Chairman of the Board in 1944. In 1945 he was one of the organizers of the Texas Utilities Company, of which he is now a Director and Vice President.

In recent years Mr. MacGregor has served as Chairman of the Dallas County War Finance Committee, Campaign Co-Chairman and President of the Community Chest, and Director of Dallas County Chapter of Red Cross. He is serving currently as President of Dallas Citizens Council and as Vestryman of the Church of Saint Michael and All Angels (Episcopal).

He is a Trustee of the Southwestern Medical Foundation and of the Texas State Research Foundation.

Nominated by the Following Banks in Group 1:

Arizona

Tucson.....Southern Arizona Bank & Trust Company

Texas

Austin.....The American National Bank
Austin.....The Austin National Bank
Beaumont.....The First National Bank of Beaumont
Corsicana.....First National Bank of Corsicana
Dallas.....Dallas National Bank
Dallas.....Mercantile National Bank at Dallas
Dallas.....Republic National Bank of Dallas
Fort Worth.....Continental National Bank of Fort Worth
Fort Worth.....The First National Bank of Fort Worth
Fort Worth.....The Fort Worth National Bank
Galveston.....The United States National Bank of Galveston
Houston.....Citizens State Bank
Houston.....First National Bank in Houston
Houston.....Houston National Bank
Houston.....The National Bank of Commerce of Houston
Houston.....The Second National Bank of Houston
Houston.....South Texas National Bank of Houston
Houston.....The Union National Bank of Houston
Port Arthur.....The First National Bank of Port Arthur
San Antonio.....The Alamo National Bank of San Antonio
San Antonio.....The Groos National Bank of San Antonio
San Antonio.....National Bank of Commerce of San Antonio
Waco.....The Citizens National Bank of Waco
Waco.....The First National Bank of Waco
Wichita Falls.....City National Bank in Wichita Falls
Wichita Falls.....First National Bank of Wichita Falls