

FEDERAL RESERVE BANK
OF DALLAS

Dallas, Texas, November 2, 1951

NOMINATION AND ELECTION OF DIRECTORS
(By Member Banks in Groups 1 and 2)

The member banks in Group 3 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 2
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 28, 1951, in regard to the election of directors of this bank to succeed Mr. P. P. Butler, Class A director, and Mr. George H. Zimmerman, Class B director, whose terms will expire December 31, 1951, 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 28, 1951, 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 5, 1951, and close at 2:00 p.m. on November 20, 1951. Consequently, your ballot must be received here not later than 2:00 p.m., November 20, 1951, 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

I M P O R T A N T

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 28, 1951, giving notice of this election, contained a list of member banks in Groups 1 and 2, 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 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 20, 1951. If the ballot is received after that time, it cannot be counted.

NOMINEE FOR CLASS A DIRECTOR

P. P. BUTLER

President

First National Bank in Houston
Houston, Texas

Mr. Butler was born in Bullard, Smith County, Texas, on August 18, 1891, and attended the public school in Troup, Texas. He began his business career with the Litcher-Moore Lumber Company at Orange, Texas, where he served successively as Paymaster at the logging camp and as Bookkeeper and General Purchasing Agent in the General Office. In 1919 he moved to Beaumont and assisted in the organization of the Beaumont Export & Import Company, serving as Secretary-Treasurer until May 1, 1928. On that date he entered the banking field as Executive Vice President of the American National Bank of Beaumont and was elected President of that institution in 1937. On May 1, 1944, he was elected Executive Vice President of the First National Bank in Houston, Texas, and became its President on January 1, 1945.

Mr. Butler has been an active participant in the social and civic affairs of the communities in which he has resided. During his residence in Beaumont, he served as President of the United Charities, the Beaumont Family Welfare Bureau, and the Community Chest; as a director and officer of the Boy Scouts for many years; and as President of the Beaumont Rotary Club, Round Table, and the Beaumont Country Club.

At the present time he is director and member of the Executive Committee of the Houston Fat Stock Show and Livestock Exposition, and the Executive Committee of Junior Achievement, Inc.; a director of the East Texas Chamber of Commerce, the Houston Symphony Orchestra, the Southwestern Life Insurance Company, Dallas, Texas, the First National Bank in Houston, and the Industrial State Bank, Houston, Texas; Councilor of the A & M Research Foundation; and a member of the Committee on International, Political, and Social Problems of the United States Chamber of Commerce, the Houston Rotary Club, the Houston Club, the Houston Country Club, St. Luke's Methodist Church, and the Arabia Temple Shrine, Houston, Texas. He is past president of the Houston Chamber of Commerce, and past president and director of the Sam Houston Area Council of the Boy Scouts of America and a holder of the Silver Beaver Award.

Nominated by the Following Banks in Group 1:

Texas

Amarillo.....	Amarillo National Bank
Amarillo.....	The American National Bank of Amarillo
Austin.....	The American National Bank
Austin.....	The Austin National Bank
Beaumont.....	The American National Bank of Beaumont
Beaumont.....	The First National Bank of Beaumont
Corpus Christi.....	The Corpus Christi National Bank
Corpus Christi.....	State National Bank of Corpus Christi
Corsicana.....	First National Bank of Corsicana
Dallas.....	Dallas National Bank
Dallas.....	Empire State Bank of Dallas
Dallas.....	First National Bank in Dallas
Dallas.....	Mercantile National Bank at Dallas
Dallas.....	Republic National Bank of Dallas
El Paso.....	The State National Bank of El Paso
Fort Worth.....	The First National Bank of Fort Worth
Fort Worth.....	The Fort Worth National Bank
Galveston.....	Hutchings-Sealy National Bank of Galveston
Galveston.....	The United States National Bank of Galveston
Houston.....	Citizens State Bank
Houston.....	First National Bank in Houston
Houston.....	Houston Bank & Trust Company
Houston.....	Houston National Bank
Houston.....	The National Bank of Commerce of Houston
Houston.....	South Texas National Bank of Houston
Houston.....	The Union National Bank of Houston
Marshall.....	The First National Bank of Marshall
Midland.....	Midland National Bank
Port Arthur.....	The First National Bank of Port Arthur
San Angelo.....	The Central National Bank of San Angelo
San Antonio.....	The Alamo National Bank of San Antonio
San Antonio.....	Bexar County National Bank
San Antonio.....	The Frost National Bank of San Antonio
San Antonio.....	National Bank of Commerce of San Antonio
Temple.....	Temple National Bank
Tyler.....	The Citizens National Bank of Tyler
Victoria.....	Victoria Bank & Trust Company
Victoria.....	The Victoria National Bank of Victoria
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

