

FEDERAL RESERVE BANK
OF DALLAS

Dallas, Texas, November 2, 1956

NOMINATION AND ELECTION OF DIRECTORS
(By Member Banks in Groups 2 and 3)

<p>The member banks in Group 1 will not participate in this election, and this circular is sent to them without forms for their information only.</p>
--

To the Member Banks in Groups 2 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 26, 1956, in regard to the election of directors of this bank to succeed Mr. W. L. Peterson, Class A director, and Mr. John R. Alford, Class B director, whose terms will expire December 31, 1956, 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 26, 1956, 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, 1956, and close at 2:00 P.M. on November 20, 1956. Consequently, your ballot must be received here not later than 2:00 P.M., November 20, 1956, 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 envelopes at your earliest convenience after the opening of the polls.

Yours very truly,

ROBERT J. SMITH

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 26, 1956, giving notice of this election, contained a list of member banks in Groups 2 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.

*** * * * ***

"... 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 \$1,200,000 and over; Group 2 consists of banks with capital and surplus of over \$200,000 and less than \$1,200,000; and Group 3 consists of banks with capital and surplus of \$200,000 and less.

Please forward your ballot so that it will reach this office on or before 2:00 P.M., November 20, 1956. If the ballot is received after that time, it cannot be counted.

NOMINEES FOR CLASS A DIRECTOR

LAMAR FOLDA

Chairman of the Board of Directors

The Mercantile National Bank of Corpus Christi

Corpus Christi, Texas

Mr. Folda was born in the State of Nebraska in 1898 and has resided in Nueces County, Texas, since 1919. He was educated in the public schools of Nebraska and graduated from the University of Nebraska with a B.S. degree. During World War I, he served with the military forces of the United States Army.

In addition to being Chairman of the Board of Directors of The Mercantile National Bank of Corpus Christi, Mr. Folda is Secretary-Treasurer and General Manager of the National Farm Loan Association of Corpus Christi; President and director of the South Texas Co-op Marketing Association and of the Gulf Compress, Corpus Christi;

director and Secretary of the Texas Planting Seed Association, Bryan, Texas, and of the Nueces County Farm Bureau; and a director of the Cen-Tex Co-op Oil Mill, Thorndale, Texas. Mr. Folda was formerly a director of the Rural Fire Insurance Company and Rural Life Insurance Company, Dallas, Texas.

Mr. Folda is active on many agricultural committees to promote better agricultural operations and relations. In Nueces County, he owns and operates 600 acres of farm land, and he rents an additional 890 acres in Nueces and Hidalgo Counties.

He is a member of the Downtown Kiwanis Club of Corpus Christi and of the Nueces County Farm Bureau.

Nominated by the Following Bank in Group 2:

TEXAS

Corpus Christi.....The Mercantile National Bank of Corpus Christi

JOHN M. GRIFFITH

President

The City National Bank of Taylor

Taylor, Texas

Mr. Griffith was born in Bonham, Texas, on July 27, 1903, though he has been a resident of Taylor, Texas, most of his life. He grew up in his father's bank, doing odd jobs around the place before and after school in Taylor and during vacation periods of college days. He attended Virginia Military Institute at Lexington, Virginia, and in 1924 he completed his college education at Southern Methodist University, Dallas, Texas, with a degree in banking.

Upon his graduation from college, Mr. Griffith began his banking career in The City National Bank of Taylor, Taylor, Texas, being elected Assistant Cashier in 1925, Vice President and Cashier in 1927, and President — the position which he still holds — in 1940. In 1943 he was elected First Vice President of The City National Bank of Houston, Houston, Texas, and served in that capacity until 1948, when he returned to Taylor to devote his full time to the management of The City National Bank of Taylor.

Mr. Griffith is Chairman of the Board of the Farmers State Bank in Bertram, Burnet County, Texas, and of the Taylor Manufacturing Company, Taylor, Texas; is President of the Taylor Savings and Loan Association; and is a member of the Executive Council of the American Bankers Association. He was a member of the Association of Reserve City Bankers while active with The City National Bank of Houston. During 1954-55, he served as President of the Texas Bankers Association; and in his community, he has served as President of the Chamber of Commerce, the Kiwanis Club, and the Taylor Country Club. He is a director of the Taylor Agricultural and Industrial Foundation and of the Pop Warner Foundation of Lakeland, Florida. Mr. Griffith is a Mason and a Shriner and is a Vestryman of St. James Episcopal Church of Taylor. He

has been active in the civic life of Taylor throughout his career.

Nominated by the Following Banks in Group 2:

TEXAS

Albany.....The First National Bank of Albany
Austin.....City National Bank of Austin
Austin.....Texas State Bank
Beaumont.....Security State Bank and Trust Company of Beaumont
Brenham.....The First National Bank of Brenham
Brenham.....Washington County State Bank
Del Rio.....Del Rio National Bank
Denison.....The Citizens National Bank of Denison
Denison.....The State National Bank of Denison
Dumas.....First National Bank of Dumas
Edna.....First National Bank of Edna
Greenville.....The Citizens National Bank of Greenville
Harlingen.....The First National Bank of Harlingen
Henderson.....Citizens National Bank of Henderson
Hereford.....The First National Bank of Hereford
Houston.....Fidelity Bank and Trust Company
Houston.....The Harrisburg National Bank of Houston
Houston.....Heights State Bank
Houston.....South Main State Bank
Kilgore.....Citizens State Bank & Trust Company
Laredo.....Union National Bank of Laredo
Lubbock.....American State Bank
McAllen.....McAllen State Bank
Mexico.....First National Bank of Mexico
Mineral Wells.....The First National Bank in Mineral Wells
Palestine.....The East Texas National Bank of Palestine
Palestine.....The Royall National Bank of Palestine
Seguin.....Seguin State Bank & Trust Co.
Snyder.....Snyder National Bank
Sonora.....The First National Bank of Sonora
Taylor.....First-Taylor National Bank
Teague.....First National Bank of Teague
Temple.....Temple National Bank
Vernon.....The Herring National Bank of Vernon
Waxahachie.....Citizens National Bank in Waxahachie
Weatherford.....The Merchants and Farmers State Bank of Weatherford

NOMINEE FOR CLASS B DIRECTOR

JOHN R. ALFORD

Industrialist and Farmer

Henderson, Texas

Mr. Alford was born at Overton, Rusk County, Texas, on February 1, 1885. Five years later his family moved to Henderson, Texas, where he has lived continuously since that time.

He began his business career in 1907 as a bank book-keeper but left that position in 1911 to become a salesman for the Harris-Lipsitz Dry Goods Company, Dallas, Texas. Later, he was a clerk, cotton buyer, and assistant manager, successively, of Irion and Alford and a salesman for and the manager of the Mayfield Alford Company, pioneer east Texas merchants. In 1925 he entered the oil business and has maintained his interest since that time. He also has an active connection with several business enterprises and operates a 400-acre farm and dairy near Henderson. For many years he has been active in promoting soil and water conservation, reforestation, the growing of new crops, development of trench silos, pasture improvement, and other farm practices.

Mr. Alford is a director of the Texas Finance Company, Tex-E-Lec Corporation, Maco Oil Company, Henderson Clay Products, Southwest Tank and Treater Company, Henderson, Texas; Texas Research Foundation, Renner, Texas; Texas Good Roads Association; and Board of Fundamental Education. He is a member of the Board of Stewards of the Methodist Church, Henderson, Texas, and of the Advisory Board of Southern Methodist University. He is a member of the W.O.W. and K.P. Lodges, the Lions Club, and the American Jersey Cattle Association.

Through the efforts of Mr. Alford and other agricultural leaders in Rusk County, a branch test plot of the Texas Research Foundation was established in 1955 one mile south of Henderson. All of the crops tested at Renner are duplicated at the substation. This substation is the only test plot established in east Texas and is proving of great help to farmers in the selection of their new crops.

He is a past Chairman of the Board of Directors of the Citizens National Bank, Henderson, Texas, and a former director of the Henderson Chamber of Commerce. He was President of the East Texas Chamber of Commerce in 1946.

Throughout his business career, Mr. Alford has been active in civic enterprises, not only in the section where he resides but also throughout the State of Texas.

Nominated by the Following Banks in Group 3:

LOUISIANA

Delhi.....The First National Bank of Delhi

OKLAHOMA

Atoka.....The Atoka State Bank
Hugo.....Security First National Bank of Hugo

TEXAS

Anna.....The First National Bank of Anna
Athens.....The First National Bank of Athens
Brenham.....The Farmers National Bank in Brenham
Bryan.....The First National Bank of Bryan
Byers.....The First National Bank of Byers
Chillicothe.....The First National Bank of Chillicothe
Clifton.....Farmers State Bank
Daingerfield.....The National Bank of Daingerfield
Dawson.....The First National Bank of Dawson
DeKalb.....State Bank of DeKalb
Dublin.....The Dublin National Bank
Eagle Lake.....The First National Bank of Eagle Lake
Gatesville.....Guaranty Bank & Trust Company
Graham.....The Graham National Bank
Honey Grove.....First National Bank in Honey Grove
Kaufman.....The Farmers & Merchants National Bank of Kaufman
Knox City.....The Citizens State Bank
Leonard.....The Leonard National Bank
Mart.....The First National Bank of Mart
Moody.....The First National Bank of Moody
Palestine.....The First National Bank of Palestine
Pittsburg.....First State Bank
Ralls.....Security State Bank & Trust Company
Rosebud.....The Planters National Bank of Rosebud
Royse City.....Citizens State Bank
Seagraves.....The First National Bank in Seagraves
Sudan.....The First National Bank of Sudan
Taft.....The First State Bank of Taft
Wills Point.....The First National Bank of Wills Point
Winnsboro.....The First National Bank of Winnsboro
Winters.....The Winters State Bank