

Federal Reserve Bank of Dallas

Dallas, Texas 75265-5906

Notice 02-53
October 2, 2002

ELECTION OF DIRECTORS REPORT OF NOMINATIONS—VOTING PROCEDURES

To All Member Banks in the Eleventh Federal Reserve District:

In accordance with the provisions of Section 4 of the Federal Reserve Act and my notice dated August 20, 2002, regarding the election of directors of this Bank to succeed Kenneth T. Murphy, Class A Director, and Malcolm Gillis, Class B Director, whose terms expire December 31, 2002, the names of the candidates nominated and the names of the banks that made the nominations are set out on pages 3 through 4.

Except in the case of any member banks that are subsidiaries of the same bank holding company, * there is sent as an enclosure to each bank in Group 1 a ballot for use in voting for a Class A Director and to each bank in Group 2 a ballot for use in voting for a Class B Director. Also enclosed are an envelope bearing on its face the certificate in regard to the vote and a colored envelope marked "Ballot-Directors' Election," in which the ballot is to be sealed. When several banks are subsidiaries of a bank holding company, **the voting forms are being sent only to the bank designated to participate in this election**; therefore, banks in Groups 1 and 2 that will not participate in this election are being sent this notice, without forms, only for their information.

The ballot and certificate on the envelope must be executed by an officer who has been authorized to cast the vote. A list of the designated officers, revised to date, forms a part of this notice. In order that the balloting may be secret, the name of the bank and the voting officer should not be written on the ballot but only on the certificate envelope. **If the official signature of the officer casting the ballot has not been filed with this Federal Reserve Bank, such official signature should be filed before the polls close.**

Please follow carefully the instructions that are printed on the ballot and the certificate envelope.

The following procedure is required in the case of both the Class A and Class B ballots:

- (1) The ballot should be marked.**
- (2) It should be placed in the colored envelope marked "Ballot-Directors' Election" and that envelope sealed.**
- (3) After the certificate on the white certificate envelope is executed, the colored sealed envelope (containing the ballot) should be placed within the white certificate envelope and that envelope sealed.**
- (4) The sealed white certificate envelope containing the sealed ballot envelope should then be returned to me in the enclosed self-addressed envelope.**

*Section 4 of the Federal Reserve Act, as amended, 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 1 and 2 affected by the foregoing provision of law are requested to take prompt action to have the appropriate bank holding company designate one of such banks to participate in this election, if it has not already made that designation.**

Under the law, the ballot must be returned so as to reach me within 15 days after its receipt. The polls will open on October 9, 2002, and close at 2 p.m. on October 24, 2002. At that time, the ballot box will be opened at this Bank, the sealed envelopes containing the ballots will be opened, the votes counted, and the results of the election announced. The candidates are invited to be present or represented on that occasion.

While the banks in Group 3 will not vote in this election, this notice is sent to them, without forms, for their information. Group 3 consists of member banks with combined capital and surplus of \$3,500,000 and under.

Sincerely yours,

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

H. B. Zachry, Jr.
Chairman of the Board

Enclosures (4)

CANDIDATE FOR CLASS A DIRECTOR

Richard W. “Dick” Evans, Jr.

Chairman and Chief Executive Officer,
Cullen/Frost Bankers, Inc. and Frost Bank
San Antonio, Texas

Dick Evans is chairman of the board and chief executive officer of Cullen/Frost Bankers, Inc. and Frost Bank. Founded in 1868, Frost Bank is the largest Texas-based financial institution and the only one of the top ten banking companies in Texas to survive the 1980s without federal assistance or acquisition by another financial institution. Evans joined Frost Bank in 1971 and has held several significant management roles. A native of Uvalde, Evans has a B.B.A. from the University of Texas and 30 years experience in the banking industry.

Evans serves as one of 12 members of the Federal Advisory Council to the Board of Governors of the Federal Reserve System in Washington, D.C. In this capacity, he represents the Federal Reserve Bank of Dallas, providing regular economic advice and input on a variety of issues affecting Federal Reserve policy.

Among his many civic and professional areas of involvement, Evans is a member of the board and past chairman of the San Antonio Economic Development Foundation, a member of the board of directors and past chairman of the San Antonio Medical Foundation, and a board member of United Way of San Antonio. He also is a past board member and current member of the Financial Services Roundtable.

Nominated by the following banks in Group 1:

TEXAS

- Abilene, Texas First National Bank of Abilene
- Amarillo, Texas Amarillo National Bank
- Dallas, Texas TIB-The Independent Bankers Bank
- El Paso, Texas Bank of the West
- Jacksonville, Texas Austin Bank, Texas
National Association
- McAllen, Texas Inter National Bank
- McAllen, Texas Texas State Bank
- San Antonio, Texas Broadway National Bank
- San Antonio, Texas The Frost National Bank

NOTE—A list of the banks in Group 1, showing the officers authorized to cast the vote of each bank, is given on pages 5 through 6 of this notice.

CANDIDATE FOR CLASS B DIRECTOR

Malcolm Gillis

President, Rice University, and
Zingler Professor of Economics
Houston, Texas

Malcolm Gillis spent the first 25 years of his professional life teaching economics and bringing economic analysis to bear on important issues of public policy in nearly 20 countries, from the United States and Canada to Ecuador, Colombia, Ghana, and Indonesia. Since 1986, his career has been devoted primarily—but not exclusively—to university leadership.

His first academic position was as an assistant professor of economics at Duke University, followed by a 15-year stint at Harvard. He returned to Duke in 1984 as professor of economics and of public policy. In July of 1993, he became the sixth president of William Marsh Rice University.

Until assuming leadership roles in university administration, he was a frequent consultant to the state of Alaska; the U.S. Treasury Department; the Canadian Ministry of Finance; the World Bank; the Ford Foundation; Oak Ridge National Laboratory; the governments of Colombia, Ecuador, and Bolivia, and the government of Indonesia, where he conducted studies leading to a fundamental reform of the entire tax system in 1983.

He has published over 70 journal and book articles. He is author, co-author, or editor of eight books, including a widely acclaimed 1988 publication, *Public Policies and the Misuse of Forest Resources*, *Tax Reform in Developing Countries*, and a leading textbook, *Economics of Development* (4th edition, 1998), now available in five languages.

Currently, he serves as a board member of the Houston Advanced Research Center; the executive committee of the Greater Houston Partnership; AMIGOS de las Americas; the Houston Technology Center; and AECOM Technology Corporation based in Los Angeles. In 1989, he was Distinguished Fulbright Professor, Catholic University of Chile. Since 1999, he has been a director of the Council for Higher Education Accreditation and the Business and Higher Education Forum. He is also a founding director of International University Bremen in Germany and serves as a director of the Federal Reserve Bank of Dallas.

A native of Marianna, Fla., Gillis holds undergraduate and master's degrees from the University of Florida and received his doctorate from the University of Illinois.

Nominated by the following banks in Group 2:

TEXAS

Brenham, Texas The Brenham National Bank
Dallas, Texas Dallas National Bank

NOTE—A list of the banks in Group 2, showing the officers authorized to cast the vote of each bank, is given on pages 7 through 9 of this notice.

GROUP 1

Consists of all member banks having capital and surplus of \$15,000,000 and over.

Banks in this group elect one Class A Director.

TEXAS		
Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Abilene	First National Bank of Abilene	Chairman, President, Vice President, Cashier
Amarillo	Amarillo National Bank	Chairman, President, Vice President, Cashier
Amarillo	First Bank Southwest, N.A.	President
Dallas	Bank of Texas, National Association	Chairman, Chief Executive Officer, President, Senior Contoller
Dallas	Comerica Bank-Texas	President, Chief Executive Officer
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	State National Bank	President
Fort Worth	Surety Bank, National Association	Chairman, President, Vice President, Cashier
Garland	United Central Bank	President
Granbury	Community Bank	Chairman, President, Cashier
Henderson	Citizens National Bank	Cashier
Houston	American First National Bank	President
Houston	First Community Bank, N.A.	Cashier
Houston	MetroBank, National Association	Chairman, President, Vice President, Cashier
Houston	Republic National Bank	Chairman, President, Chief Financial Officer, Cashier
Houston	Southwest Bank of Texas, N.A.	Chairman, President, Vice President, Cashier
Houston	Texas First National Bank	President
Houston	Woodforest National Bank	Chairman, President, Vice President, Cashier
Jacksonville	Austin Bank, Texas National Association	Chairman, President, Vice President, Cashier
Laredo	The Laredo National Bank	President, Vice President
Lubbock	PNB Financial Bank	Alan White, Chairman; John C. Owens, President; DeWayne V. Pierce, Senior Executive Vice President
Lubbock	State National Bank of West Texas	Chairman
McAllen	Inter National Bank	Chairman, President, Cashier
McAllen	Texas State Bank	Chairman, President, Cashier
Midland	Community National Bank	President
Midland	West Texas National Bank	President
Nacogdoches	Commercial Bank of Texas, N.A.	President
New Boston	Century Bank, National Association	Chairman, President, Vice President, Cashier
New Waverly	Citizens Bank of Texas, National Association	President
Pharr	Lone Star National Bank	President, Vice President, Cashier

GROUP 1—Continued

TEXAS — Continued		
Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Plano	Legacy Bank of Texas	Chairman, President, Vice President, Cashier
San Angelo	San Angelo National Bank	*
San Antonio	Broadway National Bank	Chairman, President, Vice President, Cashier
San Antonio	The Frost National Bank	President, Vice President, Cashier
San Antonio	Wells Fargo Bank Texas, National Association	Chairman of the Executive Committee, President
Sugar Land	Southern National Bank of Texas	Chairman, Chief Executive Officer, President
Temple	Extraco Banks, National Association	President
Victoria	First Victoria National Bank	Chairman, President, Vice President, Cashier
Weatherford	Texas Bank	President
Weatherford	Weatherford National Bank	Vice President and Cashier

GROUP 2

Consists of all member banks having capital and surplus of over \$3,500,000 but under \$15,000,000.

Banks in this group elect one Class B Director.

LOUISIANA		
Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Arcadia	First National Bank	President
Bossier City	Citizens National Bank, National Association	President
Ruston	American Bank, National Association	President, Vice President, Cashier
NEW MEXICO		
Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Artesia	The First National Bank of Artesia	Chairman, President, Vice President, Cashier
Carlsbad	The Carlsbad National Bank	President, Vice President, Cashier
TEXAS		
Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Abilene	Citizens Bank, National Association	President
Alvin	First National Bank of Alvin	President, Executive Vice President
Andrews	The National Bank of Andrews	President, Cashier
Arlington	Arlington National Bank	President
Arlington	Northwest National Bank of Arlington	President, Vice President, Cashier
Ballinger	Ballinger National Bank	President, Executive Vice President
Ballinger	The First National Bank of Ballinger	Chairman, President, Vice President
Bellaire	Community National Bank	President
Bellaire	First National Bank of Bellaire	Chairman, President, Vice President, Cashier
Borger	First National Bank of Borger	President
Bowie	Legend Bank, National Association	President
Breckenridge	Citizens National Bank of Breckenridge	President, Vice President, Cashier
Brenham	Bank of Brenham, National Association	President
Brenham	The Brenham National Bank	Chairman, President, Vice President, Cashier
Bridgeport	The First National Bank of Bridgeport	Chairman, President, Vice President, Cashier
Bryson	First Security Bank, National Association	*
Burkburnett	First Bank	President
Burleson	First National Bank of Burleson	President
Canadian	First State Bank of Canadian, N.A.	*
Cleburne	First Financial Bank, National Association	President, Vice President
Coleman	First Coleman National Bank	Cashier
Corpus Christi	American Bank, N.A.	President
Dallas	Abrams Centre National Bank	President
Dallas	Dallas National Bank	Michaux Nash, Jr., Chairman, President & Chief Executive Officer
Dallas	Founders National Bank-Skillman	President
Dallas	Gateway National Bank	President
Dallas	Texas Community Bank & Trust, N.A.	Chairman, President
Dallas	United Texas Bank	President
Denison	Landmark Bank, National Association	Chairman, President, Vice President, Cashier
El Paso	United Bank of El Paso del Norte	Chairman, President, Executive Vice President, Cashier
Ennis	First Bank & Trust	Chairman, President, Cashier
Fabens	First National Bank	President
Fairfield	First National Bank	Chairman, President, Vice President, Cashier
Fort Worth	Fort Worth National Bank	*
Fort Worth	Summit Bank, National Association	Chairman, President, Vice President, Cashier
Freeport	Texas Gulf Bank, National Association	*
Friona	Friona State Bank, National Association	Chairman, President

GROUP 2 — Continued

TEXAS — Continued		
Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Gainesville	Guaranty National Bank	President, Vice President
Galveston	The Moody National Bank of Galveston	Chairman, President, Executive Vice President
Garland	Security Bank, National Association	President
Gatesville	National Bank	Chairman, President, Vice President, Cashier
Giddings	First National Bank of Giddings	Chief Executive Officer
Gonzales	American National Bank	President
Graham	Graham National Bank	Jeff Glazner, Chairman and Chief Executive Officer
Granbury	Liberty National Bank	*
Grand Prairie	Community Bank of Texas, National Association	*
Granger	The First State Bank	Chairman, President, Vice President, Cashier
Hereford	The First National Bank of Hereford	President
Highland Village	United Community Bank, N.A.	President
Houston	Bank of Tanglewood, National Association	Chairman, President, Executive Vice President
Houston	Concord Bank, National Association	Secretary of the Board
Houston	Houston Community Bank, National Association	Chairman, President
Houston	National Fiduciary Services, National Association	Chairman
Houston	Omnibank National Association	Chairman, President, Vice President, Cashier
Houston	Redstone Bank, N.A.	President
Houston	The Right Bank for Texas, National Association	*
Houston	Southwestern National Bank	*
Houston	The State Bank of Texas	William B. Black, III, Chairman
Huntsville	First National Bank of Huntsville	Chairman, President, Vice President, Cashier
Iowa Park	State National Bank of Texas	Chairman, President, Vice President, Cashier
Keller	American Bank, National Association	*
Kerrville	Bank of the Hills, National Association	Cashier
Kilgore	City National Bank of Kilgore	President
Kilgore	Kilgore National Bank	President
Killeen	First National Bank Texas	Chairman, President, Vice President, Cashier
Lake Worth	Worth National Bank	President
Lamesa	The Lamesa National Bank	Chairman, President, Vice President, Cashier
Laredo	Falcon International Bank	President, Cashier
Laredo	South Texas National Bank of Laredo	President, Vice President
Liberty	The First Liberty National Bank	Chairman, President
Livingston	The First National Bank of Livingston	Chairman, President, Vice President, Cashier
Livingston	First State Bank	*
Lorenzo	Peoples Bank	Chairman, President, Cashier
Lubbock	Lubbock National Bank	Chairman, President, Executive Vice President
Lubbock	Whisperwood National Bank	President
Marble Falls	American Bank of Texas, National Association	President
McAllen	McAllen National Bank	President
Mexia	First National Bank of Mexia	President, Vice President, Cashier
Midland	First National Bank of Midland	Chairman, President, Chief Executive Officer
Newton	First National Bank of Newton	President, Executive Vice President, Vice President, Cashier
Odessa	Western National Bank	Chairman, President, Vice President, Cashier
Ozona	Crockett National Bank	President, Vice President
Paris	Peoples National Bank	Chairman
Pecos	The Security State Bank of Pecos	President, Vice President, Cashier
Plainview	Hale County State Bank	Chairman
Plano	First Independent National Bank	President
Plano	Parkway Bank, National Association	Chairman, President, Vice President, Cashier
Port Lavaca	First National Bank in Port Lavaca	President
Quitman	Wood County National Bank	President
Ralls	Security Bank	Chairman, President, Vice President, Cashier
Refugio	The First National Bank of Refugio	Cashier
San Antonio	Clear Lake National Bank	Chairman, President, Senior Vice President, Vice President, Cashier
San Antonio	Intercontinental National Bank	President, Vice President, Cashier
San Antonio	Mission National Bank	President

GROUP 2 — Continued

TEXAS — Continued		
Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
San Antonio	Plaza Bank	Chairman, President
San Antonio	The Trust Company, National Association	Chairman
Seguin	First Commercial Bank, National Association	President
Slaton	Citizens Bank	Chairman, President, Executive Vice President, Senior Vice President
South Padre Island	South Padre Bank, National Association	President
Sunray	Sun Bank	C. W. Bedwell, Chairman
Sweetwater	First National Bank, Sweetwater, Texas	President, Executive Vice President
Sweetwater	Texas National Bank	Chairman, President
Terrell	The American National Bank of Texas	Chairman, President, Vice President, Cashier
The Woodlands	Texas Community Bank, National Association	*
Tomball	Texas National Bank	*
Uvalde	National American Bank	President, Vice President, Cashier
Vernon	The Herring National Bank of Vernon	President, Vice President, Cashier
Vernon	The Waggoner National Bank of Vernon	President, Vice President
Waco	American Bank National Association	Chairman, President, Cashier
Waco	Central National Bank	President, Vice President, Cashier
Waco	First National Bank of Central Texas	President, Vice President, Cashier
Waxahachie	Citizens National Bank in Waxahachie	President
Wellington	Wellington State Bank	President
Wichita Falls	American National Bank	President
Winnsboro	The First National Bank of Winnsboro	Chairman, President, Vice President, Cashier

**Directors of the Federal Reserve Bank of Dallas
As of October 2, 2002**

Name	Occupation	Elected by Banks in Group	Class	Term Expires Dec. 31
Kenneth T. Murphy	Chairman of the Board, First Financial Bankshares Inc., Abilene, Texas	1	A	2002
David S. Barnard	Chairman of the Board, National Bank, Gatesville, Texas	2	A	2004
Matthew T. Doyle	Vice Chairman/Chief Executive Officer, Texas First Bank, Texas City, Texas	3	A	2003
Judy Ley Allen	Partner, Allen Investments, Houston, Texas	1	B	2003
Malcolm Gillis	President, Rice University, Houston, Texas	2	B	2002
Julie Spicer England	Vice President, Texas Instruments, Dallas, Texas	3	B	2004
H. B. Zachry, Jr. <i>Chairman</i>	Chairman and Chief Executive Officer, H. B. Zachry Company, San Antonio, Texas	Appointed by the Board of Governors of the Federal Reserve System	C	2003
Patricia M. Patterson. <i>Deputy Chairman</i>	President, Patterson Investments Inc., Dallas, Texas	Appointed by the Board of Governors of the Federal Reserve System	C	2002
Ray L. Hunt	Chairman and Chief Executive Officer, Hunt Consolidated Inc., Dallas, Texas	Appointed by the Board of Governors of the Federal Reserve System	C	2004