

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75265-5906

Notice 06-38
August 15, 2006

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, 2006:

Class A Director — Matthew T. Doyle
Vice Chairman/Chief Executive Officer
Texas First Bank
Texas City, Texas

Class B Director — Judy Ley Allen
Partner
Allen Investments
Houston, Texas

Mr. Doyle, the Class A 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. Doyle will have served two full three-year terms and is not eligible for reelection.

Ms. Allen, the Class B Director, was elected by banks in Group 1, consisting of banks with combined capital and surplus of \$15,000,000 and over. At the conclusion of her present term, Ms. Allen will have served two full three-year terms and is not eligible for reelection.

The banks comprising Groups 1 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,* each bank in Group 1 is permitted to nominate one candidate for Class B Director, and each bank in Group 3 is permitted to nominate one candidate for Class A 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 1 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, certified to me and received in my office on or before September 15.** A form and return envelope for this purpose are enclosed. On September 27, a list of the candidates (indicating the nominating banks) and a preferential ballot will be mailed to each bank in the voting groups. The ballot must be cast within 15 days after receipt. The polls will open at 9 a.m. on October 4 and close at 2 p.m. on October 19. At that time, the ballot box will be opened at this Bank, the votes counted, and the results of the election announced. The candidates are invited to be present or represented on that occasion.

*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 1 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.

While the banks in Group 2 will not vote in this election, this notice is sent to them, without forms, for their information. Group 2 consists of member banks with combined capital and surplus of over \$3,500,000 but under \$15,000,000.

Sincerely,

A handwritten signature in black ink, appearing to read "Ray L. Hunt". The signature is fluid and cursive, with a prominent initial "R" and a long, sweeping underline.

Ray L. Hunt
Chairman of the Board

Enclosures (2)

**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 1

Consists of all member banks with combined capital and surplus of \$15,000,000 and over

Banks in this group elect one Class B Director.

TEXAS		
Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Abilene	First Financial Bank, National Association	Chairman, President, Vice President, Cashier
Amarillo	Amarillo National Bank	Chairman, President, Vice President, Cashier
Bellaire	Tradition Bank	Executive Vice President
Bryan	Citibank Texas, National Association	*
Dallas	Bank of Texas, National Association	Chairman, CEO, President, Senior Controller
Dallas	Gateway National Bank	President
Dallas	Inwood National Bank of Dallas	President
Dallas	Northern Trust Bank of Texas, N.A.	President
Dallas	Sovereign Bank, National Association	*
Dallas	Texas Capital Bank, National Association	President
Dallas	TIB The Independent BankersBank	President, Chief Executive Officer
Edinburg	First National Bank	Chairman, President, Vice President, Cashier
El Paso	Bank of the West	Chairman
Fort Worth	Summit Bank, National Association	Chairman, President, Vice President, Cashier
Gainesville	GNB Financial, N.A.	President, Chief Executive Officer
Granbury	Community Bank	Chairman, President, Cashier
Henderson	Citizens National Bank	Cashier
Houston	Amegy Bank, National Association	*
Houston	American First National Bank	President
Houston	MetroBank, National Association	Chairman, President, Vice President, Cashier
Houston	Redstone Bank, N.A.	President
Houston	Republic National Bank	Chairman, President, CFO, 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
Kingwood	Main Street National Bank	Chief Executive Officer
Lake Worth	Worth National Bank	President
Laredo	Laredo National Bank, The	President, Vice President
Lubbock	PlainsCapital Bank	Chairman, President
Lubbock	State National Bank	Chairman
Marble Falls	American Bank of Texas, N.A.	Chairman, Chief Executive Officer
McAllen	Inter National Bank	Chairman, President, Cashier
McAllen	Texas State Bank	Chairman, President, Cashier

GROUP 1 — Continued

TEXAS — Continued

Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Midland	Community National Bank	President
Midland	West Texas National Bank	President
Mineral Wells	City National Bank of Mineral Wells, The	**
Nacogdoches	Commercial Bank of Texas, N.A.	President
New Boston	Century Bank, National Association	Chairman, President, Vice President, Cashier
Odessa	Western National Bank	Chairman, President, Vice President, Cashier
Pasadena	Texas Citizens Bank, National Association	*
Pharr	Lone Star National Bank	President, Vice President, Cashier
Plainview	HCSB, A State Banking Association	Chairman
Plano	Legacy Texas Bank	Chairman, Chief Executive Officer
San Angelo	San Angelo National Bank	**
San Antonio	Broadway National Bank	Chairman, President, Vice President, Cashier
San Antonio	Frost National Bank, The	President, Vice President, Cashier
San Antonio	Lone Star Capital Bank, National Association	Cashier
Somerset	Texas Community Bank, National Association	Chairman, President, Vice President, Cashier
Southlake	First Financial Bank, National Association	Chairman, President, Vice President, Cashier
Stephenville	First Financial Bank, N.A.	**
Temple	Extraco Banks, National Association	President
Victoria	First Victoria National Bank	Chairman, President, Vice President, Cashier
Weatherford	Weatherford National Bank	**

*No designation of authorized officer on file.

**Multi-bank holding company subsidiary (non-voting bank).

**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 3

Consists of all member banks with combined capital and surplus of \$3,500,000 and under

Banks in this group elect one Class A Director.

LOUISIANA

Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Benton	First National Bank of Benton	President
Mansfield	Progressive National Bank of DeSoto Parish	Chairman, President

NEW MEXICO

Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Alamogordo	First National Bank in Alamogordo	Chairman, President, EVP, VP
Las Cruces	Bank of the Rio Grande, National Association	President
Lordsburg	Western Bank	President
Ruidoso	First National Bank of Ruidoso	**

TEXAS

Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Albany	First National Bank of Albany/Breckenridge	Chairman, President, Vice President
Amherst	First National Bank of Amherst, The	President
Anahuac	Anahuac National Bank	President
Anderson	First National Bank of Anderson, The	Chairman, President, Vice President, Cashier
Anson	First National Bank of Anson, The	President, Vice President, Cashier
Aspermont	First National Bank of Aspermont, The	President, Vice President, Cashier
Baird	First National Bank of Baird, The	Chairman, President, Vice President, Cashier
Bedford	First National Bank of the Mid-Cities	**
Beeville	First National Bank of Beeville, The	Chairman, President, Vice President, Cashier
Bells	First National Bank of Bells/Savoy, The	President
Bellville	First National Bank of Bellville, The	President, Vice President, Cashier
Brady	Brady National Bank, The	President
Brady	Commercial National Bank of Brady, The	Chairman, President, Vice President, Cashier
Bronte	First National Bank in Bronte	President
Brookshire	Texas Premier Bank, National Association	President

GROUP 3 — Continued

TEXAS — Continued

Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Brownfield	First National Bank of Brownfield, The	Chairman, President, Vice President, Cashier
Brownwood	Citizens National Bank at Brownwood	President
Bryan	First National Bank of Bryan, The	Chairman, President, Vice President, Cashier
Byers	First National Bank of Byers, The	President
Cameron	Citizens National Bank	Chairman, President, Vice President, Cashier
Cameron	First National Bank in Cameron	Chairman, President, Vice President
Canadian	First National Bank of Canadian, The	President, Vice President, Cashier
Canton	First National Bank of Canton, The	Chairman, President, Vice President, Cashier
Carthage	Panola National Bank	President
Chillicothe	First National Bank of Chillicothe, The	President
Colorado City	City National Bank of Colorado City, The	Chairman, President, Vice President, Cashier
Colorado City	First National Bank of Colorado City	President
Comanche	Comanche National Bank, The	President
Cooper	First National Bank in Cooper, The	Vice President
Corsicana	City National Bank	President
Corsicana	Corsicana National Bank and Trust	President, Vice President, Cashier
Cotulla	Stockmens National Bank in Cotulla	Chairman, President, Vice President
Crockett	Citizens National Bank	Chairman, President, Vice President, Cashier
Crockett	First National Bank of Crockett	Chairman, President
Crosbyton	Citizens National Bank of Crosbyton	President, Vice President
Crowell	Crowell State Bank	Chairman, President, Vice President, Cashier
Daingerfield	National Bank of Daingerfield, The	President
Dalhart	First National Bank in Dalhart	President
Dallas	American Bank, National Association	President
Dallas	Preston National Bank	Chairman, President, Vice President
Dawson	First Bank & Trust Company	Chairman, President, Vice President
DeSoto	Bank of DeSoto, National Association	Chairman, President, Vice President, Cashier
Detroit	Community National Bank	*
Dublin	Dublin National Bank, The	President
Dublin	First National Bank of Dublin	Chairman
Eagle Lake	First National Bank of Eagle Lake, The	President
Edgewood	First National Bank of Edgewood, The	Chairman, President, Vice President, Cashier
El Campo	Newfirst National Bank	President, Cashier
Eldorado	First National Bank of Eldorado, The	President, Vice President, Cashier
Emory	First National Bank of Emory, The	Vice President, Cashier
Evant	First National Bank of Evant, The	President, Vice President
Falfurrias	First National Bank in Falfurrias, The	President
Falls City	Falls City National Bank, The	Chairman, President, Vice President, Cashier
Floydada	First National Bank of Floydada, The	President
Fort Hood	Fort Hood National Bank	Chairman, President, Vice President, Cashier
Fort Stockton	First National Bank of Fort Stockton	Chairman, President, Cashier
Fort Worth	National Bank of Texas at Fort Worth, The	Chairman, President
Frisco	Texas Republic Bank, National Association	*
Galveston	Hometown Bank, National Association	Chairman, President, Vice President, Cashier
Garland	Northeast National Bank	President
George West	First National Bank	Chairman, President, Vice President, Cashier
Gilmer	First National Bank of Gilmer, The	Chairman, President, Vice President, Cashier
Gilmer	Gilmer National Bank	President
Gladewater	Gladewater National Bank	Chairman, President, Vice President, Cashier
Goliad	First National Bank of Goliad, The	Vice President, Cashier
Graford	First National Bank, Graford	President
Graham	First National Bank in Graham	Chairman, President, Vice President, Cashier
Granbury	First National Bank of Granbury, The	Vice President, Cashier
Granger	Granger National Bank, The	Chairman, President, Vice President, Cashier
Groesbeck	First National Bank	Cashier
Groom	State National Bank of Groom, The	Chairman, President, Vice President, Cashier
Hamlin	Hamlin National Bank	Chairman, President, Vice President, Cashier
Haskell	Haskell National Bank	Chairman, President, Vice President
Hebronville	First National Bank of Hebronville, The	President
Hico	First National Bank of Hico, The	Vice President
Hillsboro	Citizens National Bank of Hillsboro, The	Chairman, President, Vice President, Cashier
Hondo	Community National Bank	President
Hondo	Hondo National Bank, The	Cashier
Jacksboro	First National Bank of Jacksboro, The	Chairman, President, Vice President, Cashier
Jacksboro	Jacksboro National Bank, The	Chairman, Vice President, Cashier
Jacksonville	Texas National Bank of Jacksonville	Chairman, President
Jasper	First National Bank of Jasper	President
Junction	First State Bank	President

GROUP 3 – Continued

TEXAS – Continued

Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Junction	Junction National Bank	President, Vice President, Cashier
Karnes City	Karnes County National Bank of Karnes City, The	Chairman, President, Vice President, Cashier
Kemp	First National Bank of Kemp, The	President
Kingsville	Kleberg First National Bank of Kingsville	Chairman, President, Vice President, Cashier
Kress	Kress National Bank	President
La Grange	Colorado Valley Bank	*
La Grange	National Bank & Trust	Chairman, President, Vice President, Cashier
La Coste	La Coste National Bank, The	Cashier
Lake Jackson	First National Bank of Lake Jackson	President
Lamesa	First National Bank of Lamesa, The	Chairman, President, Vice President, Cashier
Linden	First National Bank of Linden, The	Cashier
Lipan	First National Bank of Lipan, The	President
Llano	Llano National Bank	President
Lockhart	First-Lockhart National Bank	President
Marfa	Marfa National Bank, The	Chairman, President, Vice President, Cashier Assistant Cashier
Mason	Mason National Bank, The	President, Vice President
McGregor	First National Bank of McGregor, The	President, Vice President, Cashier
McLean	Bank of Commerce	President
Memphis	Memphis State Bank	**
Menard	First State Bank	Chairman
Menard	Menard National Bank, The	President
Mercedes	Texas National Bank	Chairman, President, Vice President
Mertzton	First National Bank of Mertzton, The	President, Cashier
Mineola	First National Bank of Mineola, The	Chairman, President
Moody	First National Bank of Moody, The	President
Mount Pleasant	American National Bank of Mount Pleasant, The	President
Mount Vernon	First National Bank of Mount Vernon, The	President, Vice President
Muleshoe	First Bank of Muleshoe	President
Munday	First National Bank in Munday	**
Naples	Morris County National Bank	Chairman, President, Vice President, Cashier
Navasota	Bank of Navasota, National Association, The	President
Newcastle	Farmers National Bank of Newcastle	President, Vice President
Olney	First National Bank of Olney	**
Ore City	Security State Bank, National Association	**
Ozona	Ozona National Bank, The	President
Paducah	First National Bank, The	President
Palestine	East Texas National Bank of Palestine, The	President
Paris	Lamar National Bank	President
Paris	Liberty National Bank in Paris, The	Chairman, President, Vice President, Cashier
Pasadena	Texas Coastal Bank	Chairman, President, EVP, VP, Cashier
Perryton	Perryton National Bank, The	Chairman, President, Vice President, Cashier
Pleasanton	Atascosa National Bank	President, Vice President, Cashier
Princeton	Citizens State Bank	**
Quanah	First National Bank in Quanah	Chairman, President, Vice President, Cashier
Quitaque	First National Bank of Quitaque, The	President, Vice President, Cashier
Quitman	Bank Texas, National Association	President
Richwood	Brazos National Bank	Vice President, Cashier
Rockwall	Lakeside National Bank	President
Rotan	First National Bank	President
Round Mountain	Cattleman's National Bank	Chairman, President
Saint Jo	First National Bank of Saint Jo, The	President, Cashier
San Benito	First Community Bank, National Association	President
San Saba	City National Bank of San Saba, The	President, Vice President, Cashier
Santa Anna	Santa Anna National Bank, The	Vice President, Cashier
Santo	First National Bank of Santo, The	Cashier
Seymour	Farmers National Bank of Seymour, The	**
Seymour	First National Bank of Seymour, The	Chairman, President, Vice President, Cashier
Shiner	First National Bank of Shiner, The	Chairman, President, Vice President, Cashier
Snyder	Snyder National Bank	Chairman, President, EVP, Vice President
Sonora	First National Bank of Sonora, The	President, Cashier
South Padre Island	First National Bank of South Padre Island	Chairman
Spearman	First National Bank	President
Stanton	First National Bank of Stanton, The	President
Sterling City	First National Bank of Sterling City, The	President, Vice President
Tahoka	First National Bank of Tahoka, The	Chairman, President, Vice President, Cashier
Taylor	City National Bank of Taylor, The	Chairman, President, Vice President, Cashier
Teague	Citizens National Bank	President

GROUP 3 — Continued

TEXAS — Continued		
Location	Name of Bank or Trust Company	Officers Authorized to Cast Vote
Texarkana	Commercial National Bank of Texarkana	*
Texas City	Texas First Bank	Chairman, President
Throckmorton	First National Bank of Throckmorton, The	President, Vice President, Cashier
Tom Bean	First National Bank of Tom Bean, The	President
Trenton	First National Bank of Trenton, The	President
Trinity	First National Bank of Trinity, The	President, Vice President
Trinity	Lake Area National Bank	President, Vice President, Cashier
Uvalde	National American Bank	**
Valley Mills	First National Bank of Bosque County	Chairman, President, Vice President, Cashier
Weatherford	First National Bank of Weatherford	**
West	State National Bank in West, The	President
Whitney	First National Bank in Whitney	**
Wills Point	Citizens National Bank of Wills Point	President
Woodsboro	First National Bank of Woodsboro, The	Cashier
Yoakum	Yoakum National Bank, The	Chairman, President, Cashier
Zapata	Zapata National Bank	Chairman, President, Cashier

*No designation of authorized officer on file.

**Multi-bank holding company subsidiary (non-voting bank).

**Directors of the Federal Reserve Bank of Dallas
As of August 15, 2006**

Name	Occupation	Elected by Banks in Group	Class	Term Expires Dec. 31
Matthew T. Doyle	Vice Chairman/Chief Executive Officer, Texas First Bank, Texas City, Texas	3	A	2006
David S. Barnard	Chairman and Chief Executive Officer, The National Banks of Central Texas, Gatesville, Texas	2	A	2007
Richard W. Evans, Jr.	Chairman and Chief Executive Officer, Cullen/Frost Bankers, Inc., San Antonio, Texas	1	A	2008
Judy Ley Allen	Partner, Allen Investments, Houston, Texas	1	B	2006
Robert A. Estrada	Chairman, Estrada Hinojosa & Company, Inc., Dallas, Texas	3	B	2007
James B. Bexley	Associate Professor of Finance, Sam Houston State University, Huntsville, Texas	2	B	2008
Anthony R. Chase	Chairman and Chief Executive Officer, ChaseCom, L.P., Houston, Texas	Appointed by the Board of Governors of the Federal Reserve System	C	2006
Ray L. Hunt	Chairman, President, and Chief Executive Officer, Hunt Consolidated, Inc., Dallas, Texas	Appointed by the Board of Governors of the Federal Reserve System	C	2007
James T. Hackett	Chairman, President and Chief Executive Officer, Anadarko Petroleum Corporation, Houston, Texas	Appointed by the Board of Governors of the Federal Reserve System	C	2008
