

**FEDERAL RESERVE BANK
OF NEW YORK**

October 30, 2014

**Nomination of Directors
For Terms of Office Ending December 31, 2017**

To the Member Banks of the Second Federal Reserve District:

An election will be held under the provisions of section 4 of the Federal Reserve Act, as amended, to choose successors to serve for three-year terms, to the following two directors of this Bank, whose terms will expire December 31, 2014: class A director, PAUL P. MELLO, President and Chief Executive Officer, Solvay Bank, Solvay, NY; and class B director, TERRY J. LUNDGREN, Chairman and Chief Executive Officer, Macy's, Inc., New York, NY.

Both directors were elected by member banks in Group 3 and their successors will be chosen by this group. Member banks in Groups 1 and 2 will not participate in this election.

The classification of member banks for the purposes of nomination and election of Class A and Class B directors of the Federal Reserve Bank of New York is as follows:

Group 1 consists of banks with capital and surplus of more than \$1 billion;

Group 2, of banks with capital and surplus of \$30 million to \$1 billion, inclusive; and

Group 3, of banks with capital and surplus of less than \$30 million.

For the purposes of this election, a member bank's classification will be determined by its capital and surplus as of the date of this circular, even though its capital and surplus may change before the polls close. The list of banks comprising Group 3 is on page 3.

Except in the case of any member banks that are subsidiaries of the same bank holding company,* each member bank in Group 3 is permitted to nominate one candidate for Class A director

*** 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."

Pursuant to the foregoing provision, a nomination by any bank that is a subsidiary of a bank holding company having other subsidiaries in the same voting group cannot be accepted unless there is on file with this Bank evidence that such bank has been so designated. Accordingly, banks affected by the foregoing provision of the 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 nomination and election.

If such bank holding company does not have on file with this Bank an appropriate resolution either permanently designating one of such banks to participate in nominations or elections of this Bank's directors or setting forth the authority under which such designations will be made from time to time, such bank holding company may wish to file such resolution with this Bank. A form of resolution authorizing officers of a bank holding company to make such designations is attached to be used where appropriate.

and one candidate for Class B director.† The nominations should be made by resolutions of the boards of directors of the nominating banks (or by resolutions of the banks' executive committees, if such committees are empowered to take such action), and certified copies of such resolutions should be sent to this Bank so as to reach this Bank on or before 3 p.m. on Friday, November 28, 2014. The attached form shows the appropriate form of resolution; one executed copy of the form should be returned to this Bank in PDF format via email to:

[Redacted for Security Purposes]

or it may be physically mailed back to the Corporate Secretary's Office of this Bank:

[Redacted for Security Purposes]

On December 1, 2014, copies of the list of candidates (indicating by whom nominated) and preferential ballots will be sent to the banks in Group 3. The law provides that the ballots shall be cast within 15 days after receipt of this list. The polls will open at 10 a.m., December 2, 2014, and will close at 12 noon on Wednesday, December 17, 2014. Upon the closing of the polls, the ballot box will be opened, the votes counted and checked by tellers, and the results of the election announced. The candidates may, if they so desire, be present or represented on that occasion.

In order to be counted as valid, the ballot must be executed by an officer authorized to cast the vote and must be received by this Bank at or before the time fixed for the closing of the polls (i.e., at or before 12 noon on Wednesday, December 17, 2014). The officers heretofore designated for this purpose by each bank in Group 3 are shown on the list on page 3. Any Group 3 bank that desires to change its authorization should do so by resolution of its board of directors; a certified copy of such resolution must reach this Bank before the polls close. A form for this purpose is also attached.

Because banks in Groups 1 and 2 will not participate in this election, this circular is sent to them without forms and for their information only.

EMILY K. RAFFERTY,
Chair of the Board

†Section 4 of the Federal Reserve Act, as amended, reads in part as follows:

"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 which are members of the same group as the member bank of which he is an officer or director."

"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 it is inappropriate, as a general rule, for directors of Federal Reserve Banks 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, to act as members of political party committees, or to serve as officers or directors of political action committees or as members of the governing bodies of such committees. The System's policy is to avoid any situations that might give the appearance of associating the Reserve Banks with political activities.]

[The Board of Directors of the Federal Reserve Bank of New York has resolved that all persons who stand for election as Class A or Class B directors shall be citizens of the United States.]

Election of Directors

For Term of Office Ending December 31, 2017

List of the 40 Member Banks in Group 3

(Group 3 consists of member banks with capital and surplus of less than \$30 million, inclusive, as of September 30, 2014)

NEW JERSEY

| <u>Place</u> | <u>Name of Bank or Trust Company</u> | <u>Officers Authorized to Cast Vote</u> |
|--------------|---|---|
| Hope | First Hope Bank, a National Banking Association | President, any Vice President, or Cashier |
| Kenilworth | Enterprise Bank | President, any Vice President, or Chief Financial Officer |
| Maywood | Community Bank of Bergen County, N.J. | President, any Vice President, or Chief Financial Officer |

NEW YORK

| <u>Place</u> | <u>Name of Bank or Trust Company</u> | <u>Officers Authorized to Cast Vote</u> |
|----------------------------------|---|--|
| Alden | Alden State Bank | President, any Vice President, or Cashier |
| Ballston Spa | Ballston Spa National Bank | President, any Vice President, Cashier, or Secretary |
| Carmel | Putnam County National Bank | President, any Vice President, or Cashier |
| Cattaraugus | Bank of Cattaraugus | President, or any Executive Vice President |
| Coxsackie | National Bank of Coxsackie | President, Executive Vice President, any Vice President, or Cashier |
| Delhi | The Delaware National Bank of Delhi | President, any Vice President, or Cashier |
| Dryden | The First National Bank of Dryden | President, any Vice President, or Cashier |
| Glens Falls | Glens Falls National Bank and Trust Company | President, any Vice President, or Cashier |
| Groton | The First National Bank of Groton | President, any Vice President, or Cashier |
| Hammond | Citizens National Bank of Hammond | President, any Vice President, or Cashier |
| Jeffersonville | The First National Bank of Jeffersonville | President, any Vice President, or Cashier |
| Kinderhook | The National Union Bank of Kinderhook | President, any Vice President, or Cashier |
| Lyons | The Lyons National Bank | President, any Vice President, or Cashier |
| Middletown | Orange County Trust Company | President, any Vice President, or Cashier |
| Millbrook | Bank of Millbrook | President, any Vice President, or Cashier |
| New York City <i>(See below)</i> | | |
| Newburgh | Empire State Bank, N.A. | Chairman, Chief Executive Officer, President, any Vice President, or Cashier |
| Rochester | The Upstate National Bank | Chief Executive Officer, President, any Vice President, or Cashier |
| Saratoga Springs | The Adirondack Trust Company | President, Executive Vice President, any Vice President, or Cashier |
| Saratoga Springs | Saratoga National Bank and Trust Company | President, any Vice President, or Cashier |
| Savannah | Savannah Bank, N.A. | President, Senior Vice President, or any Vice President |
| Scotia | First National Bank of Scotia | President, any Vice President, or Cashier |
| Solvay | Solvay Bank | President, any Vice President, or Cashier |
| Spencer | Tioga State Bank | President, any Vice President, or Cashier |
| Union Springs | Cayuga Lake National Bank | President, any Vice President, or Cashier |
| Utica | Adirondack Bank | President or any Vice President |

| | | |
|-----------|----------------------------------|---|
| Walton | National Bank of Delaware County | President, any Vice President, or Cashier |
| Willsboro | Champlain National Bank | President, Executive Vice President, any Vice President, or Cashier |

NEW YORK CITY

| <u>Place</u> | <u>Name of Bank or Trust Company</u> | <u>Officers Authorized to Cast Vote</u> |
|--------------|--|---|
| Manhattan | Brown Brothers Harriman Trust Company | |
| | Delta National Bank and Trust Company of New York Eastbank, N.A. | |
| | Evercore Trust Co., N.A. | President, Executive Vice President, any Vice President, or Cashier |
| | Neuberger Berman Trust Company | President, any Vice President, or Cashier |
| | Northern Trust Company of New York | |
| | Rockefeller Trust Company of New York | |
| | State Street Bank and Trust Company, N.A. | President, any Vice President, or Cashier |
| | The Warehouse Trust Co. LLC | |
| Queens | National Bank of New York City | President, any Vice President, or Cashier |

DIRECTORS OF THE FEDERAL RESERVE BANK OF NEW YORK

| Elected by Banks in Group | Name and Occupation | Class | Term Expires Dec. 31 |
|---|--|-------|----------------------------|
| 1 | Richard L. Carrión Chairman, President and Chief Executive Officer Popular, Inc. San Juan, PR | A | 2015 |
| 2 | Gerald H. Lipkin Chairman, President and Chief Executive Officer Valley National Bank Wayne, NJ | A | 2016 |
| 3 | Paul P. Mello President and Chief Executive Officer Solvay Bank Solvay, NY | A | 2014 |
| 1 | Glenn H. Hutchins Co-Founder Silver Lake New York, NY | B | 2015 |
| 2 | David M. Cote Chairman and Chief Executive Officer Honeywell International, Inc. Morrostown, NJ | B | 2016 |
| 3 | Terry J. Lundgren Chairman, President and Chief Executive Officer Macy's, Inc. New York, NY | B | 2014 |
| Appointed by the Board of Governors of the Federal Reserve System | Emily K. Rafferty (Chair) President The Metropolitan Museum of Art New York, NY | C | 2014 |
| | Sara Horowitz (Deputy Chair) Executive Director Freelancers Union Brooklyn, NY | C | 2015 |
| | Marc Tessier-Lavigne President Rockefeller University New York, NY | C | 2016 |

**COMMITTEE ON RECOMMENDATION OF CANDIDATES FOR
DIRECTORS OF THE FEDERAL RESERVE BANK OF NEW YORK**

October 30, 2014

**Recommendation of Candidates in Annual Election of Directors
of the Federal Reserve Bank of New York**

To All Member Banks in the
Second Federal Reserve District:

The Federal Reserve Bank of New York will hold its annual election of a Class A and a Class B director for three-year terms ending December 31, 2017. Member banks in Group 3 – that is, member banks with capital and surplus less than \$30 million will participate in this election.

The committee, appointed by the bankers associations of New York, New Jersey, and Connecticut to make recommendations to member banks of candidates for directors of the Federal Reserve Bank of New York, and to inform member banks of the qualifications of these candidates, recommends for nomination by Group 3 banks the following two individuals, who have consented to serve if elected:

Candidate for Class A Director

PAUL P. MELLO
President and Chief Executive Officer
Solvay Bank
Solvay, New York

PAUL P. MELLO is the President and Chief Executive Officer of Solvay Bank, which is the oldest independent commercial bank headquartered and operating in Onondaga County, New York. Mr. Mello was appointed to the position in 2002. Prior to his appointment, he held the position of Executive Vice President and Chief Financial Officer. He also launched the Bank's insurance subsidiary, Solvay Bank Insurance Agency, Inc., and began the Bank's Brokerage Advisory Services. Under his leadership, the Bank has expanded its footprint with new branch openings and internet banking products. Before joining the Bank, Mr. Mello worked for Coopers & Lybrand in Syracuse from 1989 to 1993.

In 2010, Mr. Mello was appointed the Chair of the Independent Bankers Association of New York State and Chair of the Upstate Medical University Foundation. He was appointed as a member of the Community Depository Institutions Advisory Council of the Federal Reserve Bank of New York in 2011. Mr. Mello serves on the Board of Directors for The Eraser Company, Inc., the St. Camillus Health & Rehabilitation Center, and the LeMoyne College Board of Regents and Accounting Advisory committee. Mr. Mello is a member of both the American Institute of Certified Public Accountants, as well as the New York State Society of Certified Public Accountants. He also coaches instructional youth basketball.

Mr. Mello earned a bachelor's degree in accounting from LeMoyne College in 1989, and is a Certified Public Accountant since 1991.

Candidate for Class B Director

TERRY J. LUNDGREN

Chairman and Chief Executive Officer
Macy's, Inc.
New York, New York

TERRY J. LUNDGREN is Chairman and Chief Executive Officer of Macy's, Inc. He assumed his current titles in January 2004. Prior to this, he served as president and chief executive officer, a title he assumed in February 2003 after having served as president and chief merchandising officer since May 1997. Macy's, Inc. is the parent company of Macy's and Bloomingdale's, and was known as Federated Department Stores, Inc. prior to June 1, 2007. Mr. Lundgren began his retailing career in 1975 as a trainee with Bullock's, a Los Angeles-based division of Federated. Mr. Lundgren was named senior vice president and general merchandising manager of Bullock's in 1984. In 1987, he was named president and chief executive officer of Bullocks Wilshire, an upscale chain of specialty department stores owned by Federated. Mr. Lundgren left Federated after its acquisition by the Campeau Corporation in 1988, joining Neiman Marcus in Dallas, Texas, where he served briefly as executive vice president and shortly thereafter was named chairman and chief executive officer. He returned to Federated in April of 1994 as Chairman and Chief Executive Officer of the Federated Merchandising Group. As chief executive officer, Mr. Lundgren led Federated's acquisition of The May Department Stores Company in August 2005, again nearly doubling the size of the company.

Mr. Lundgren is a native of Long Beach, California, and a graduate of the University of Arizona where he gave the commencement address to the graduating class of 2000 and was awarded the Honorary Doctor of Laws degree. Mr. Lundgren is an active supporter of The Terry J. Lundgren Center for Retailing at the University of Arizona. He was also awarded the honorary Doctor of Commercial Sciences degree from Suffolk University in 2001. Mr. Lundgren has been appointed Commissioner on Women's Economic Development by the Mayor of New York. Mr. Lundgren currently serves on the boards of Carnegie Hall, United Way of New York City, and currently serves as Co-Chairman of The New York City Partnership and participates in numerous other charitable and civic efforts. He currently is chairman of the board of directors of the National Retail Federation and chairman of the National Minority Supplier Development Council. Mr. Lundgren serves on the membership committee of the Economic Club of New York and is involved with the New York City Principal for a Day Program.

NORMAN E. BEATTY, *Committee Chair*
Chairman, President & CEO
First Hope Bank
Hope, New Jersey

THOMAS L. HOY
Chairman, President & CEO
Arrow Financial Corporation
Glens Falls, New Jersey

LOUIS J. CAPPELLI
Chairman & CEO
Sterling National Bank
New York, New York

DOUGLAS L. KENNEDY
President & CEO
Peapack-Gladstone Bank
Gladstone, New Jersey

REYNO A. GIALLONGO, JR.
Chairman & CEO
First County Bank
Stamford, Connecticut