



Lea County
State Bank

LEA COUNTY STATE BANK | SPRING 2025

BANKNOTES

Local Banking the way it should be

BANK FOUNDER STEPS INTO NEW ROLE AS BOARD CHAIRMAN



SAM SPENCER, former President and Chief Executive Officer

After 35 years as president and chief executive officer, **Sam Spencer** has handed over the reins of Lea County State Bank leadership to **Joshua Grassham** (see article below).

While he will no longer be at the bank on a full-time basis, Spencer will remain active in bank leadership and policy making as chairman of the LCSB board of directors.

Spencer moved to Hobbs in 1989 to oversee what was then First Interstate Bank of Lea County. When regulatory restrictions prevented its sale to another local institution—Spencer, the First

Interstate president and Bob Dunn, a First Interstate vice president—led a group of investors to acquire the bank themselves. “By 1990, we’d worked through most of the problems and knew we had a healthy bank,” Spencer said. “We had evaluated the loan portfolio, and we knew the bank was on solid ground.”

Once the purchase was complete in September of 1991, and the bank returned to local ownership, Spencer sent out the first edition of this newsletter.

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JOSH GRASSHAM NAMED PRESIDENT OF LEA COUNTY STATE BANK



JOSH GRASSHAM,
New President and
Chief Executive Officer

The Lea County State Bank board of directors elected **Josh Grassham** as its new chief executive officer, replacing **Sam Spencer**—who was named chairman of the board (see story above).

A CHANGE IN PLANS

After early banking success in Albuquerque, Grassham moved to Hobbs in 2004 and planned to spend only a few years getting experience in the oil patch before moving to Houston’s financial sector. But meeting his future wife, Jennifer—a Hobbs native—changed Grassham’s trajectory. *(Continued on page 3)*

“I HAVE A HIGH DEGREE OF CONFIDENCE IN HIM. HE’S GOT WHAT IT TAKES TO KEEP LCSB MOVING FORWARD,” SPENCER SAID OF HIS SUCCESSOR. “A COMMUNITY BANK IS LIKE ANY OTHER SMALL BUSINESS. YOU HAVE TO LOOK FOR BUSINESS OPPORTUNITIES, KNOCK ON DOORS SEARCHING FOR NEW BUSINESS, AND TAKE CARE OF CUSTOMERS. THAT’S JOSH GRASSHAM.”

—SAM SPENCER

("Sam Spencer," continued from page 1)

"We want you to know that we have come home to stay," Spencer told customers, announcing that LCSB was now locally owned again and reverting to the name it was first chartered under in 1928.

DECADES OF GROWTH AND STABILITY

More than three decades later, as he steps away from the day-to-day operations of the bank, Spencer modestly admits the gamble to buy a bank paid off. Lea County State Bank has more than doubled its workforce and grown its assets from \$100 million in 1991 to more than \$700 million today.

By continuing to grow, LCSB is defying a nationwide consolidation trend that has seen the number of independently chartered banks dwindle to 4,000—less than half the amount of locally-owned banks from just 25 years ago, Spencer said.

"Our commitment is to focus on Lea County and support new and innovative business and contribute to the economic growth and stability of our area," he added.

Jim Maddox, who served as the bank's legal counsel until he retired, pointed out that aside from making loans and overseeing deposits, LCSB also contributed to that economic growth through its commitment to organizations such as United Way, University of the Southwest, New Mexico Junior College, Palmer Drug Abuse, the local school districts, Habitat for Humanity and MyPower to name a few.

"SAM HAS ALWAYS BELIEVED THAT IF I'M GOING TO ASK FOLKS TO PUT THEIR MONEY IN MY INSTITUTION, THEN I OUGHT TO BE SUPPORTIVE OF THAT COMMUNITY."

—JIM MADDOX

BORN BANKER

It was probably a pretty good bet that Spencer would grow up to be a banker. Raised in Roswell, Spencer's dad was in the mortgage/real estate business, and his mother tracked household expenses to the penny in ledgers she kept on file for years. By age 12, he had his first job and a bank account opened with quarters earned from a newspaper route.

A New Mexico State University graduate with degrees in finance and accounting, Spencer began his professional career as an Albuquerque CPA before transitioning to banking. It was during those early years—while on a business trip to Hobbs in the 1980s—that he first saw the city's potential.

"It was a bright sunny day as I was walking back along Broadway," Spencer recalled after a meeting with Zearl Young at Western Auto. "I knew that the town had a lot of promise and I thought, 'You know, Hobbs wouldn't be a bad place to live and work.' I found the people in here much friendlier, more conservative, and they had a strong work ethic."

Hard work is something Spencer knows about—beginning with that first job delivering the *Roswell Daily Record* to neighbors.

"He's the personification of hometown banking," Maddox said. "I think the longevity of his many employees speaks to his effective leadership."

PLANNING FOR THE FUTURE

One of his most important roles as leader, Spencer says, has been planning for his departure and Josh Grassham's

simultaneous promotion to chief executive officer and president. That's why Spencer spent the past five years mentoring Grassham and years assembling an all-star cast of bank officers.

"Employees and customers want to know what's going to happen when you aren't there anymore. They want to know who their boss is going to be and how it's going to affect them,"

Spencer said. "I am confident that Josh is ready to take the reins and that he has an absolutely first-class team of officers and employees surrounding him."

Spencer, who was unanimously elected LCSB chairman of the board at the April 2025 board of directors meeting, plans to step back from banking. He will remain part of the LCSB financial picture as the Chairman, when he's not spending time at the family's Dexter pecan farm, rafting the Grand Canyon with his grown children, or spoiling his first grandchild.

"I HAVE REALLY ENJOYED WHAT I'VE BEEN DOING FOR MORE THAN 35 YEARS," SPENCER SAID.



“Josh Grassham,” continued from page 1)

“In a big bank, you’re just a small fish in a huge pond,” he said. “Here, you can drive to work in minutes, people are friendly, and it’s a great place to raise kids. You can have a real impact on the community.”

DEEP COMMUNITY INVOLVEMENT

Grassham has spent countless hours improving Hobbs—not just for his wife and three children but for the entire community. He currently chairs the Covenant Hospital Board and is a past president of the Economic Development Corporation of Lea County and the Hobbs Jaycees. He also serves on several state and local boards, most recently joining the New Mexico Small Business Investment Corporation following a 40–0 confirmation vote in the New Mexico Senate.

Beyond civic duties, Grassham is proud of LCSB’s role in supporting local businesses. He and his team closely monitor oil rig counts and drilling permits to anticipate financial pressures on businesses.

“This is where we live,” he said. “When times get tough in the oil patch, you find a way to work with customers. You don’t just foreclose and take all their equipment like a big bank would.”

OUT-OF-THE-BOX THINKING

Grassham’s ability to see potential where others don’t has made a tangible impact. Leaco Chief Executive Officer David Jimenez credits him with helping the telecommunications cooperative make the monumental shift from cell service to fiber-optic internet—a decision that required navigating complex regulatory hurdles.

“Josh fought with us and helped get an exception carved out,” Jimenez said. “Now we’ve gone through Phase 1, 2, 3 and 4 (of fiber optic deployment) and we’ll end up putting in five phases. The project has been very successful for all of the residents of Lea County.”

“Josh worked tirelessly to assist businesses with the complicated application process,” Allyson Roberts, chief financial officer for Nor-Lea Hospital District,

said of Grassham’s work to get the hospital and hundreds of other Lea County businesses Paycheck Protection Program loans during Covid. “Because of that, we were able to keep all our employees paid, even when the state shut down most of our services.”

A BANKER WHO STAYS CONNECTED

Raised in Albuquerque, Grassham earned a BBA from New Mexico State University and an MBA from Texas Tech. Early in his career, he was recognized on the Independent Community Bankers of America’s 40-Under-40 list and New Mexico’s 40-Under-40 list, honoring top young professionals in the state.

Grassham attributes his success to the client relationships he fosters. On a recent Tuesday morning, for example, his phone had already logged 301 text messages and 94 voicemails before noon. “I’ll answer them all before the day is over,” Grassham laughed.

The new CEO also plans to maintain Spencer’s open-door policy while nurturing the bank’s strong team. “We have an amazing staff, and that’s not going to change,” Grassham said.

Spencer, who lured Grassham to LCSB from a competing bank in 2013, has no doubt he was correct in making the decision to hire the person who ultimately would succeed him as bank president.

“We saw Josh out in the community, making an impact,” Spencer said. “We asked him to take a chance on community banking, and we’re glad he did. I have a high degree of confidence in him. He’s got what it takes to keep LCSB moving forward.”

If you’d also like to move forward with your banking needs, Grassham said he would love to talk. Call him at **575-397-6617**.

BELL RETIRES AFTER 2ND DISTINGUISHED CAREER

When Lea County State Bank Chief Operating Officer and Senior Vice President **Jerry Bell** retires at the end of the month, he’ll close the chapter on a second career distinctly different from his first.

Bell spent the last 17 years keeping LCSB at the forefront of technology that has reshaped the national banking industry in the past few decades, according to former CEO Sam Spencer.

Before banking, Bell—who in 1972 was among the last group of drafted teens to hear their lottery number called—spent 21 years in the U.S. Army. His most memorable posting was the four years he spent as an administrative assistant to the three-star general in command of American troops stationed in Japan. “That was a pretty neat tour,” the soft-spoken former soldier recalled.

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("Jerry Bell," continued from page 3)

Following his first retirement, Bell—nicknamed "Pops" by classmates half his age—wasted little time in using the G.I. Bill to earn his finance degree from New Mexico State University. Soon after, LCSB hired Bell, based in part on his "get 'er done," attitude.

"The work ethic and management skills Jerry developed in the military enabled him to successfully manage his many bank operations responsibilities," Spencer said

adding that he particularly admired Bell's drive to learn and implement new concepts.

Turns out that Bell admired the same qualities in his new boss.

"Sam had a great vision about where technology could take the bank," Bell said.

"We wanted our small local bank to be a leader—which was great fit for me because I enjoy

new technology. There's always something new—some vendor with a new proposal to look at and analyze."

One of Bell's most significant achievements during his LCSB tenure was installing Interactive Teller Machines (ITMs) at five locations from Eunice to Lovington. The kiosks allow customers to interact with tellers who are stationed in the main or a branch office and appear on screen once a customer activates the ITM monitor.

Think of ITMs as the FaceTime of banking, a technology that came online just months before COVID hit. "Because we had ITMs, we didn't have to lay anybody off even though we locked our doors to outside business," Bell said with a hint of pride.

Beyond customer-friendly technology, Bell also managed the bank's internal software operations and personnel, relying on multitasking and team-building talents he learned as a chief warrant officer. "The military taught me that you can't do everything by yourself," Bell said. "You have to train your people and trust them. Motivating them and leading them to get the job done—that's been my role."

The 73-year-old said this time he'll opt for a more traditional retirement. He'll pack up his motor home and travel with his wife to visit grandchildren and great-grandchildren. "I'm just going to relax and enjoy life now," Bell said. "I'm in charge of my happiness."



JERRY BELL, Chief Operating Officer and Senior Vice President