Oklahoma Bank and

Commerce History Project

a program of the Oklahoma Historical Society

Interview with H. E. "Gene" Rainbolt
Original interview for historical project under the direction of
David Rainbolt – *Loyal to Oklahoma: A History of the BancFirst Corp.*
Oklahoma City, OK, 10/18/2011
Interviewer: Michael J. Hightower
Audio taped and transcribed by MJH

MJH: It is Tuesday, October 18, 2011, and I am visiting with Gene Rainbolt in his office at BancFirst. I want to begin by thanking you for getting involved in David's project. And if you would just tell your story as best you can, maybe beginning with buying the bank in Shawnee and…

GR: Let me have two seconds or so…I got into the banking business very accidentally. I wanted to return to Oklahoma, and the chairman of the Finance Department at OU suggested that I interview with a man who owned the bank in Noble, Oklahoma—the First State Bank. The man had been…over the last couple of years. I did, went to work there, and we agreed when I went to work that we would look for the opportunity to acquire control of other banks. In three years, I had the opportunity to acquire control of the First State Bank of Purcell, which ultimately became the First American Bank. I stayed in Purcell for five years, and in 1966, as I recall the time frame, I had the opportunity to acquire the Federal National Bank in Shawnee, which I did.

And this really was the beginning of the plan to build a statewide banking network. I don't recall—have you got a list of the times we acquired different banks?

MJH: I do. I have every annual report, and I have Jay's list.

GR: But I have the chronology of the banks that we acquired in prior years before BancFirst could be.

MJH: That, I don't have.

GR: Let me look and see if I can find that. I don't remember the years we began to acquire banks. But it was late sixties. I will attempt to find that list.

We were starting to acquire banks around the state. And in those years, the laws were very specific: one bank was all that one corporation could own, and that bank could have a drive-by, only one bank, a drive-by within one thousand feet of its main banking office…There were over five hundred banks in the state, and in effect, at best, semimonopolies, because you had to get a new charter. Consequently, the only banks that became available, at a price one could afford pay with an expectation of an adequate return, were banks that had problems. As a consequence of that, I focused on problem banks that became available, and developed a reputation and an ability to turn around a problem bank, and in the process, founded a company called Thunderbird Financial Corp, that provided management services—accounting, investments, loan review services—to each of the banks we acquired. Ultimately, over the years, we acquired some forty, forty-five banks, knowing, even in the late sixties, that ultimately, the laws of Oklahoma would have to be modernized to be able to form either multi-bank holding companies or branch banking, which every state in the country could do except Oklahoma and Mississippi.

It was a much slower process than we anticipated. It took twenty years for the state to evolve, and for the laws to evolve, allowing formation of multi-bank holding companies and, ultimately, branch banking, in 1989. Certainly, the faltering of the economy created the environment that assisted in the changing of the law. And in that, you have my whole story.

MJH: So you had forty or forty-five under the Thunderbird umbrella?

GR: Well, they weren't under any umbrella? They were all individual banks. But they had contracts with Thunderbird, standard charts of accounts, standard financial information. In those years, no banks—no community banks—accrual accounting. We were in the front of all of that. We converted all of those banks to accrual accounting. We had budgets, comparative performances, and when David came back, we added a loan review process.

MJH: Do you have any particular memories of certain banks, and how you acquired, and certain challenges that they presented?

GR: Again, I focused on problem banks. When you go back to Federal National Bank, a non-banker had acquired it, and it had changed hands. It was the old bank in Shawnee, extremely well regarded, but the original owner had sold it, and had no heirs to take it over. And it had [been] sold to, I think, five different groups, over a period of five years. It sort of was in disarray. And the owner from whom I bought it, was an oil man who had no banking experience, who borrowed money to buy the stock from a bank in Dallas, and—I don't know if you want to write this—but it was a first payment default. He had a lot of oil production, which they took as additional collateral, but those were the years of $3.00 oil, and his cost of lending exceeded the price he got for his oil. So it was a first payment default with the lender in Dallas.

And they were delighted to see me, and delighted to turn—to lend me the money to take over to buy it, and take over the bank.

MJH: What was his name?

GR: Bill Hembree: H-E-M-B-R-E-E. And again, I don't think that's the kind of thing…

MJH: There's a lot that's going to be on the cutting room floor when we're done with this.

Typically, would you say that the smaller town bankers were glad to see you show up?

GR: Oh no, no, no. We were viewed, probably, as predators. You know, Oklahoma had never seen this before. So they were speculating: "Who is this brash young man? Where is he getting his money?" But, in 1967, I was elected president of the Oklahoma Bankers Association, which also gave me contact, and made me aware, of what was going on, in the banking system in the state.

MJH: What was your experience as OBA president? Was that a one-year term?

GR: Well, it's one year, but you go through about three years.

MJH: How would you sum that up? Was that a good experience, a broadening experience?

GR: It was an interesting experience, and mostly positive. I certainly got better acquainted with more bankers in the state. And we, I think, set in motion the modernizing of bank laws *and* the Oklahoma Bankers Association.

MJH: Specifically, how did you do that? Lobbying legislators, that kind of thing?

GR: Certainly. You have to lobby to change laws. And as we accumulated more banks in more communities, we obviously accumulated more lobbying ability. With forty communities, you have the access and political influence.

MJH: Were there any particular legislators or governors who were most helpful?

GR: Oh, not really, but the person—and again, this was over a period of twenty years; there were opponents and proponents—but the person who was there at the moment of change was is someone you should meet. He's the current bank commissioner, Mick Thompson. He was in the legislature. And he would give you funny tales about the night we wrote the final legislation. I think I came over to his office [house shoes…?] and said, "We've got to get together." You need to talk to him about it.

MJH: He's on my list. He was a representative from…

GR: He's from eastern Oklahoma somewhere—Poteau.

MJH: So, you went through a lot of lobbying efforts. What was it like in the OBA? I'm sure there were factions that wanted branching, and …

GR: Oh yes! It was an annual fight, between those who wanted a change in the laws, and those who didn't. And it was essentially all the country banks that were against any change, thinking we were going to be taken over, whereas the fact of the matter is, they were the least attractive. There was no possibility that they would be taken over. But they saw it as a threat.

MJH: Did you ever have any relationship with the Community Bankers Association [of Oklahoma]?

GR: No we didn't…That's not completely true. We may have joined the Community Bankers [Association of Oklahoma]. It developed as the OBA seemed to be moving toward a favoring of branch banking and multi-bank holding companies. I think the community bank group began to form then. We may have the community bankers. I recall, when we all still were single banks, each bank thereby had a vote, we had a lot of influence in what happened. I remember one vote…And I think we were voting on changing bank structure, and we had upwards of—multiple votes, and certainly influenced the outcome.

MJH: Did you wind up acquiring any of those small banks that had been opposed?

GR: Oh, I'm sure we did. I didn't pay much attention…

MJH: What was your experience in the oil boom of the late seventies? How did that play into your strategy?

GR: Well, it probably—and I don't know that it did play directly—it probably created pressure on a few banks that had gotten excessively involved in lending. I don't recall any specifics.

MJH: I know that David came back…

GR: …1982.

MJH: Yeas, three weeks before…

GR: Penn Square failed.

MJH: Do you have memories of that time, in particular?

GR: Oh, sure I do. For example, prior to—and Bill Jennings was a friend of mine—but, prior to Penn Square's failure, we refused to accept their certificates of deposit as collateral for loans. We were so aware of the exceptions that they were doing in their lending.

MJH: So, you've got all these banks that you had ownership in, but the word would sort of go out that…

GR: That was Thunderbird's role. Because we had Thunderbird as consultants—that's what we called them—and each consultant had six or eight banks that they coordinated for consulting services. It was not unlike the structure we've got now, with our regional executives, except then, those people were consultants. They didn't have any authority, because each bank had its board of directors. But obviously, we elected the boards of directors.

MJH: And those boards of directors would typically be…

GR: …local people.

MJH: Describe what it was like to bring these banks together in a single entity. What David described was that he was really the one who went out to do the negotiating.

GR: He was the one who essentially set the value, because we were exchanging stock. He's the one who essentially set the value. I've said this on many occasions: I could have sold the banks for more money than he paid me in stock. And I let him set it. David is incredibly fair in his approach, and he was quite concerned about other shareholders and fairness to them. And because of the necessity, we knew that people would want to sell stock, over a period of time, if we became one company. We did not have the legal necessity, but because of the fact, that otherwise we would have to set the price that people would get for their stock, David said, "We need to be a public company, and the market will set the price, and it takes us out of establishing the price." We had several United Community [Corporation] shareholders at that point, and each bank had a different set of—essentially—a different set of shareholders.

MJH: And the company that you folded them into was the United Community Corporation.

GR: Yes.

MJH: That would have been in '85?

GR: '85.

MJH: Are there any events in that whole process…

GR: No, no. This would have continued…it started in the 1960s. And so there were no surprises. We knew where we were going, all these years. The only question was, when are you going to get there?

MJH: And how can you get the laws to cooperate?

GR: Well, you had to have laws before we could get there.

MJH: So in 1985, you had your new company. What are some of your memories from those early days? You started having meetings…

GR: We had meetings, presidents' meetings, when they were individual banks.

MJH: So again, it was really just a continuum?

GR: It's a continuum. It started with one bank, and then we'd have two banks, four banks—it was a continuum. Now, go back to 1986, and that's when the economy in Oklahoma really had collapsed. It stumbled here in the early eighties with the oil collapse, but real estate—and that also ties back in, probably, with the change in tax laws having to do with real estate depreciation; it had to do with agricultural…Using a popular description, it was a perfect storm. And 1986 was a tough, tough economic time in Oklahoma. There were banks failing regularly. We're proud of the fact that, in 1989, we were rated one of the safest banks…in the country. That was important in 1989, because banks in Oklahoma were failing.

MJH: Was that rating from the National Bankers Association?

GR: I don't know. It was a national publication.

MJH: So during that crucial period, '85 through the late 80s, you continued to acquire banks. Do any particular acquisitions during that time stand out to you? I know there was Tahlequah…

GR: There was a big one—and I don't remember the year at all—but the big acquisition for BancFirst was the merger, call it what you will, of the AmQuest Bank in Duncan. That was significant.

MJH: What made that so significant?

GR: The size of it. And the fact they had banks in Ardmore, Duncan, and Lawton. All of those were major communities, essentially. And it put us into larger communities than, typically, we were in. We knew we had to develop banks in the metropolitan areas, and we needed to be in county seats.

MJH: At that time, was AmQuest a multi-bank holding company?

GR: Yes. Remember, in 1989, United Community [Corporation] became BancFirst, because the laws then allowed you to merge existing banks as branches. We had branch banking. And at that time, we became BancFirst.

MJH: David told me a good story about how you found your name in Texas.

GR: What did he say?

MJH: And actually, Ralph mentioned that too.

GR: Well, different people probably have different perspectives. Ralph is the one who suggested the name, "BancFirst." David then checked to see if there was a trademark. He discovered that there was a trademark, and in fact, the bank had failed, and the FDIC owned an infringement. My role in that—Ralph and David deserve the credit—my principal characteristic, which is perseverance—we seemed to be told, "Well, we can't have that…"—so I said, "Let do more inquiries. Find out who…"

MJH: So it worked.

GR: It worked!

MJH: So that came down in 1989, the same year that you were rated one of the safest banks in the country, in terms of…In terms of what, exactly?

GR: Probably the capital, loan to deposit ratio, losses, profitability…

MJH: All the metrics.

GR: All the metrics that you look for.

MJH: What was your growth pattern at that point? I'm sure there were some dips, because we weren't entirely out of the woods at that point.

GR: In the seventies, you had the change in the…oil bust, and then the whole oil business, 1980, you had incredibly high interest rates, the Fed tried to stop inflation, which it certainly did. And then you had the Penn Square failure, and the developing difficulties in energy, agriculture, real estate. There was always something going on.

MJH: Was there ever a time when you really doubted that you were going to carry through on your plan?

GR: No, I don't think I questioned that. David tends to be somewhat more pessimistic than I am, which he can afford to be. I didn't feel like I ever had any options. I had to be optimistic, and keep moving. David, very correctly—his attitude was, "Well, if I expect less, everything that happens will be better." And also, protecting the assets and our customers' deposits. So it's a good balance.

MJH: That is a good balance. I'd like to ask you too—you've talked some about David and a little bit about the four principals: you, David, Les, and Ralph. Can you talk a little bit about their strengths, and about what made that team click?

GR: Well, I think we shared a common goal. In Les' case, I think that Les was a first-class loan officer, and ultimately became the chief credit officer of the company, for a period of time. And Les wanted to be in a position to exercise hi banking skill, and by my relying on him to be the CEO of Shawnee…If home base is not protected, you don't get on base, and you don't score. So he was very, very important to me.

So if I had to select words to describe our relationships, we were partners, with a common goal.

Ralph had great expertise in terms of operations.

And David's strengths are in financial management.

I suppose I would describe my role as the cheerleader. But I was certainly the person who tied it together. Ralph and Les could never, would *never* have built…would never take the risk. Ralph was more aggressive than Les.

You know what's interesting—this is not part of what you'd write—but, for example, how Les was able to retire is, I included him. Even though he was not participating, he was running Shawnee. I *included* him in stock ownership in the banks we acquired. That's how he accumulated the assets to retire. Otherwise, he never made enough in salary. And Ralph, the same thing. You know, these people became quite well-to-do, because I allowed them to participate, with minimum investment, in the banks we acquired. So it was a shared success.

MJH: Is that a philosophy that you carried over to your member banks.

GR: We, for example, we have always had—and had in Shawnee—an employee stock ownership plan to which the employees contribute nothing. And the company has always contributed, when we made profits, sufficient…In fact, it was not unusual for tellers to retire, if they had been with us for many years, with three, four hundred thousand dollars in value. In small towns, that's a very significant thing.

MJH: Isn't that an ESOP?

GR: Yes, Employee Stock Ownership Plan. And again, to which employees contribute nothing. Never have. Now, we also have 401Ks. But that's to which they contribute. And those funds are essentially invested in whatever they choose.

MJH: Would you say that the ESOP, in particular, was unique among banks?

GR: I don't know of any others. When we started, nobody ever did that. But it seems to me, that our success came from the production of the employees. And probably, and this has been true for many years, when most people retire, they begin to withdraw. But it's always owned about ten percent of the bank—ten percent of BancFirst. Fifty, sixty million dollars.

MJH: The ESOP has owned that much?

GR: Yes.

MJH: This addresses, to some extent, the idea of a super community bank. I have come across that…

GR: The super community bank implies a greater capital, which means the ability to loan more money, and greater expertise. For example, technologically, we could not be what we are if we were not all tied together in a single bank. Technologically, we are the most advanced bank in the state of Oklahoma. We're just large enough to be able to afford it, and small enough to implement it.

Super community bank implies much greater ability.

MJH: And in terms of local autonomy…

GR: Right. That's obvious. We don't use the words, "home office." We don't allow those words. We use the words, "support center." And everyone buys into that. Our job is to help the bankers maximize their services to their communities. We focus on autonomy, but *very clearly*, within the policies that we set, we've got an army that monitors, and adheres, to those policies. Loan review, audit, compliance—again which gives us the ability, as part of being a super community bank, in that we have much greater assets, which enables the local bank to be far more effective.

MJH: Okay. So overall, you have found that you have been able to compete effectively, and maybe even aggressively, with the other banks in small towns?

GR: I think I would use the word, "effectively," but we bring much more to a local community than just a local community bank. Now, a local community bank, on the other hand, has the advantage, for whatever value it has, we're locally owned. And that has value.

MJH: Have you found that some of these communities were, maybe, a little leery of BancFirst coming in?

GR: Oh, they may have been early, but that was long, long ago. From my point of view.

And why don't you go out, and I assume you will—go talk to the banker in Okemah, whose bank we just acquired, and are in the process of converting.

MJH: Okay. What's his name?

GR: Well, I'd have to…I don't know. [Pat Martin] owned the bank, but he didn't run it…

MJH: I really enjoyed, almost a year ago, visiting with Ben Walkingstick over in Chandler.

GR: Now, Ben would be the least representative of a bank we acquired, and operated. Ben's a gunslinger. Now don't…

MJH: I won’t write that.

GR: We operate very differently. We take a good bit less risk.

MJH: Bob McCormack down in Duncan; of course, Roger Beverage up here—anybody I have talked to can’t say enough about your organization.

GR: We have an incredible well respected organization. I always attend a Monday briefing, and we…executive level, mid level, executive level employees, and I know you’ve been introduced to our values.

Loan quality is first. That is an absolute requirement. Last year, for example, and I don’t remember the numbers, but charged off something like eight or nine basis points. The big banks had two hundred and fifty, which was twenty to thirty times our charge-offs.

MJH: I don’t quite understand basis points, but I get the ratio!

GR: Well, one basis point is one one-hundredth of one percent. Seven basis points would be seven one-hundredths of one percent. But now, also, our philosophy is, you cannot operate profitably and have charge-offs that exceed one-quarter of one percent. We’ve got to be right 99.75 percent of the time in our lending.

MJH: I’ve never heard that…

GR: Well, but that’s how it is! If anybody looks at a bank and thinks…They don’t understand. Bankers don’t understand. You must be—and I give David credit for this—you must be paid for the risk you take. If you get less than adequate pay for the risk you take on interest rates, you’re in the process of going broke! Your capital is being eroded!

MJH: I know, in your annual reports, that is always really stressed—your charge-offs, and the ratios that you’re talking about. But that’s a rule of thumb? That 99.75 percent…

GR: One quarter of one percent, of our loan portfolio, is the maximum we can charge off in a single year and operate profitably, with the interest margin we’ve got. Now if we could go to twenty percent, which credit cards do--they can charge off a much higher percent. But with the interest margin we get, we cannot afford to charge off more than one quarter of one percent, each year.

MJH: What’s prime now?

GR: Three and a half.

MJH: So it’s really, in effect—what you’re talking about is a consequence of that. The prime [interest rate] is so low, that…

GR: Well, that's not completely true. What's important about prime is the spread between the cost of money and what you get. And right now, there's no cost of money. So if there were not the implied risk of inflation and an interest rate spike, on your fixed-rate loans, you're losing money, if interest rates are…And again, on our bond portfolio, for example. We have to—and this has been just in the last few years—accounting rules now require, and accounting rules are from the SEC and the regulators, every month, we can classify…We buy bonds, and we classify either market to market or permanent in our portfolio. We—and this is true of most banks—you compare everything to market to market. So every month, we have to write the value of whatever the market is, up or down, on our bond portfolio. If, for example, we were to buy…We could double our earnings today, if we could buy, let's be extreme, thirty-year bonds. But, for every one percent change in interest rates on bonds, it would impact us something like, on a hundred million dollar investment, something like, we'd have to write down $8 million for a one percent change. So a five percent change is $40 million, on a hundred-million-dollar investment, which would decimate your…In other words, interest rate risk is a very real danger. We are very conservative on that.

MJH: Interesting. I would like to get your sense of what's going on in the world now, with the Dodd-Frank bill, and some of the legislation coming out of Congress.

GR: The things that you read about, the criticisms of Bank of America, for proposing and instituting a $5.00 a month charge on debit cards—well, the fact is, given the electronic world in which we live, debit cards are becoming the preferred way of consumer transactions. The Dodd-Frank bill put a cap on what could be charged for interchange—the processing of debit card transactions, with that pressure having come from the retailers, because they were paying the discount. While we may set a cap on it, it has literally cost the banking business billions of dollars in revenue. Well, banks have no choice but to institute some charge to pay them, for providing them services.

I don't understand—I saw where Senator Durbin, who was one of the authors of the Dodd-Frank bill, said he couldn't understand bankers charging…The fact is, he didn't understand, or didn't acknowledge, the inevitability. You have to collect revenue.

So what happened is, they gave the revenue to the merchants, and banks are left with no choice but to charge, directly, to the consumer.

I think there were excesses on Wall Street that need to be addressed, probably have not been.

MJH: Do you see…I go around and interview bankers, and a lot of them—all of them—feel that they are being unjustly accused of causing the problems, and that they are winding up having to pay for them, even the small country banks.

GR: I think the commercial banking system is paying for the excesses of the Wall Street investment banks. But that's unfair too, because really, what happened to us—we're all guilty. We start with the Congress, saying, "We want everyone to own a house."

Laudable possibility, but not surprisingly, Fannie Mae and Freddie Mac started guaranteeing loans. At the same time, the Federal Reserve went through a period when Alan Greenspan lowered interest rates to a very low rate. And so people bought home that they could afford, but with adjusting rate mortgages, when interest rates went back to normal, they couldn't afford them. And investors, in order to get yields, were buying these supposedly well rated securities so [the raise would prove them wrong]; the investment bankers would get a front-end fee, and they don't care how the deal works, they were issuing securities; the world was buying them because they yielded more; the accountants were not blowing the whistle…

I may have a speech I gave, which I will give you a copy of. So, I think we're all guilty. And currently, I don't see the economy recovering very much for the next two or three years. If you look consumer debt as a percentage of disposable income, it went up to about 130 percent. It's back to about 115 percent now, by virtue of foreclosures, repayments, and all of the things that happened. But in 2000, it was probably 90 percent. So we've gone from 90 percent to 130 percent during this period of subprime mortgages and all the financing that took place. And if has to get back to 90 percent, for a sustainable economy—remembering that consumer spending is responsible for 70 percent of the economy—then we're only half way there! Ninety to 115…

MJH: What is BancFirst's strategy, then, for the next two or three years?

GR: Well, we are trying to make every loan that we think has the ability to be repaid, but all that said, we only have a loan to deposit ratio of almost sixty percent, which means we are incredibly liquid. And as I mentioned, we could double our profits by buying long term bonds, but we would face an inordinate and unacceptable interest rate risk, were we to do that. And banks have failed. We have bought banks that *did* that.

MJH: So rather than lending money and taking that risk on buying bonds…

GR: You don't have that alternative. So, we are extremely liquid, and our profits are impacted thereby. We make every loan that we think should be made. I can go out and show you banks that have 100, 125 percent loan to deposit [ratio]. They must see something we don't see. Frankly, if I looked at Stillwater National's circumstances, I'd say, "They saw things that didn't exist." I just use them…Or I'd say Spirit Bank, I'd say other banks.

MJH: I did meet Tracy Kelley, by the way. He's one of my favorite guys.

GR: Tracy's a great guy, but that's a lousy bank. Quality—they took TARP money, they're deferring payments on it. Tracy's a good friend of mine. Tracy's not responsible for the present circumstances.

MJH: Are there any particular areas that you are most active in, in terms of lending? Is it pretty much across the board?

GR: Oh no, with a community [bank], you're really everything.

MJH: Do you do very much ag business?

GR: It's a small percentage. But I am convinced—and it's less true in Oklahoma. We think of ourselves as an agricultural state, but the fact is, sixty percent of agricultural income is derived from livestock. We're more into livestock than general agriculture. But I am convinced, as a general statement, that with the increased affluence in the world, and the increasing population, food production has greater value than it has ever had.

MJH: I understand that there are more than 7 billion people in this world now. I was just in the Panhandle last month, and I understand that even hedge fund managers are prowling around for real estate, for farmland. Do you see that kind of thing?

GR: Yes. People are looking for investments that have safety of principal and reasonable returns. And if in fact, land is increasing in value because of the production of food, which is the point I made, it would seem to me that [it's happening].

MJH: You did suggest that we start buying farmland in Siberia as the world gets warmer!

GR: Well, if gets really warm, that would be a good place to be! I make no conclusions…

Laughter…

MJH: And I haven't done that yet. But I'll keep it in mind, and if I do, I heard it from you first.

Do you have any other thoughts to round up your memories of the bank, your experiences here? Any sort of overall conclusions?

GR: My overall view is, enormous pride in the quality of the people in our organization, and the breadth of that quality. And I would also have to focus on their loyalty to both the organization and their communities. I think it's David's phrase, that our objective is to build Oklahoma one community at a time.

MJH: I think I have read that…

GR: And I have to suggest to you that David is due the principal credit for building what BancFirst is. He became CEO in, I think 1992, or it may have been 1993. So that's eighteen or nineteen years, which corresponds with our greatest growth. As we formed BancFirst, it was clear that we needed to have a presence in Oklahoma City and Tulsa. My theory always was, we'd ultimately build a billion-dollar bank in Oklahoma City, a billion-dollar bank in Tulsa, and then we'd have $3 billion in the community banks. Those figures will be much larger.

MJH: What would you say [those figures] are today?

GR: Well, Oklahoma City is—these figures are available—$1.1 billion, something like that; Tulsa is $500 million, something like that; and I think they will be much greater.

MJH: And then the rest of the state, with assets combined, would be…

GR: Well, if you have $1.5 [billion], and about $5.2 [million]…you've got capital of $500 million, more or less…

MJH: Will the bank stay in the family?

GR: I think that David will make the decisions in the best interest of the shareholders. And he will treat the least shareholders with the same respect that he will treat the greatest shareholders.

MJH: You can't say anything better than that.

GR: David is the most ethical person I have ever known, except maybe for his mother.

MJH: That's pretty good company.

GR: Yes, it is. I assume you've gotten our value system: loan quality; professionalism; customer service; profitability.

MJH: And those have been a constant?

GR: Constant. And to talk about our people: really, we have a superb group of people working at BancFirst. Nobody's trying to push…We have a minimum of corporate politics.

MJH: And you attribute that to your value system?

GR: The value system, and probably the value system of the company. And I started to say, and it's probably true: it's pretty clear, David is going to be the CEO. There's not much probability or reason for palace intrigue.

MJH: That's a good hour, and you've given me a lot of homework.

GR: There are two things I said I would hand you: one was when we acquired the banks; and the other…

GR looked for documents…

MJH: I think there was a speech too.

End