



## Oklahoma Bank and Commerce History Project

*a program of the Oklahoma Historical Society*

**Interview with Ben Walkingstick  
BancFirst (formerly Union National Bank) of Chandler, 11/22/2010  
Interviewer: Michael J. Hightower  
Audio taped and transcribed by MJH**

MJH: It is Monday, November 22, 2010, and I am with Ben Walkingstick at Union...well, BancFirst, but I didn't want to say that, but I will...

BW: I have a hard time saying it.

MJH: BancFirst, in Chandler, Oklahoma.

So thank you for coming back from a deer hunt.

BW: You're welcome. I need to come back anyway. My wife...

MJH: It's time to come back anyway. Tell me, if you will, about your family, and how they got involved in the banking business, and if you want to go back and talk about some of the territorial lore from Hoffman, Charles and Conklin and so forth, then have at it.

BW: I don't really know too much about that, except Hoffman, Charles and Conklin had, I think, 23 small grocery stores, or dry goods or mercantile stores, in new towns that they opened up in Oklahoma. As they opened their stores, they put a little bank in every one of them. So, at one time, I think they had 26 locations. Union Bank was one of them. They did a good job of taking care of banking, through the thirties and everything, and survived many problems like we have in the banking industry every ten years, it seems like.

MJH: Were those locations just in Lincoln County?

BW: I think most of them were in Lincoln. They were probably in Pott [Pottawatomie], Lincoln, and I imagine...I think they had a bank in the Sapulpa area, and the Bristow area, along what is now 66—the old 66 highway.

MJH: You mentioned that it was a tragedy, what happened to that bank. What did you mean by that?

BW: You mean the First National?

MJH: I thought you were talking about the old Hoffman, Charles, and Conklin...

- BW: No, I was talking about the First National in Oklahoma City, about when it went down in the eighties.
- MJH: Well, since you were talking about that, I don't mind going back and forth. What was your involvement with that? What was your take on it?
- BW: My take on it was just that they couldn't really respond to the OCP (the Office of the Comptroller's Office). It was satisfactory, and after a while, they just decided to forget about it. At that time, we had loans—were participating in loans with First National—and it was pretty tragic, trying to buy those loans out of the bank, put up with the Office of the Comptroller's people who were hired to close the bank and disburse all the assets. It was a pretty miserable time. Of course, the eighties were tough here in Oklahoma, just like it was in Texas and Louisiana and Colorado. You know, we had some tough times. I think the Comptroller's Office—the people I dealt with—didn't have a lot of common sense. We had to charge off loans, and I think all the loans we charged off, I think we collected 95 percent of the debt due us out of that group. But it took a lot.
- MJH: Is that a pretty good number compared to some of the other banks?
- BW: Well, the other banks went down.
- MJH: In other words, where the other banks went down, your bank collected 95 percent...
- BW: ...what they wrote up as non-standard, or what they wanted to charge off. The banking industry was in a mess. I mean, there wasn't any collection. The Bank of Commerce in Dallas closed...
- MJH: Continental Illinois...
- BW: Continental went down, on account of a friend of mine's bank in Oklahoma City...
- MJH: We can talk about that in a minute too...
- BW: We had some participations with Penn Square Bank. [It] was...If you want to talk about that for a minute, I'll just tell you it's a fact—we had quite a few participations, because I'd known Bill Jennings from college, and we went over there and talked to him one time, and he said, "Well, why don't you buy some participations with us?" And we did, and they were kinda squirrely. We looked at them, and after about four months, I said to the president of the bank over there, to look at the files, and he came back and told us that there was nothing in those files, but notes. Fortunately, I called Mr. Jennings, and I said, "We're a little short of funds now, we'd like out of those." And he said, "No problem." So we got out. So that was a huge break for us.
- MJH: Was that quite awhile before the July 5<sup>th</sup>, '82...

BW: No, that was about, February or March, probably, before they closed in July. They closed over the Fourth of July, I think it was, a Monday. Anyway, we were very fortunate—we got out of that. There were just ridiculous loans that were made to anybody with a pencil in their hand, or a penny in their hand.

MJH: How do you think that whole fiasco developed? You were watching from up here as it developed, and you knew Mr. Jennings and all...

BW: Well, they wanted to be the biggest bank...I don't even want to talk about...Mr. Jennings did not get to be president of Fidelity Bank, and he went out and started his own bank, and he wanted to be bigger and better. He was growing rapidly, and then all of a sudden you saw First National start to make loans in a rapid way, trying to grow too. It just takes 2 or 3 loan officers in a bank that size to cause a catastrophe.

MJH: Did you know any of those guys? The loan officers?

BW: Yeah, I knew a few of them. And some of them were good loan officers, and some of them weren't. But with the price of oil and everything, it was just crazy. It just lasts so long every time.

MJH: Do you kind of take a long view of that kind of thing? Seems like you have one bubble after another. Do you see anything...You can talk about the dot.com bubble, the real estate mess we're in now, but do you see anything unusual about the Penn Square fiasco?

BW: I think they just had one loan officer that created the...I mean, he was a heck of a salesman, and he created a huge number of loans in the oil industry, and sold them to Continental. Of course, at that time, everybody was making a lot of oil loans. We're not a lender in the oil industry—we stick with unique situations, situations where we're comfortable, you know, where we've got equity and knowledge and long-time experience.

MJH: What areas would those be? Agricultural loans?

BW: We're a commercial bank. Just small commercial businesses, under \$5 million. I was an ag lender...In the sixties we had some problems in the banking business. In the seventies, we had problems in the agricultural business. Everything changed around with the peanut farmers, and the dairies...And I got out of the ag business in the seventies.

Lincoln County had more...it was the number two county in the state for dairies, and I had a lot of dairy farmers And when the government changed its support of the milk prices, that industry collapsed.

MJH: That was in the seventies?

BW: Mid-seventies, I think around '74, somewhere around that time. I'm not very good with dates and everything...You know, that's what happened in the seventies. And in the eighties, the oil collapsed. In '92 and '94, we had another mess, and you can give

Goldman Sachs a lot of credit for that one. You want to read a good book—have you ever read the book, *Fiasco*?

MJH: No. It's on my list...

BW: Put that on your list, read that, and then look at what happened in 2008. It was a repeat of the same thing that Goldman Sachs did to Orange County and a lot of other... They broke Orange County by selling bad paper. They create very strange... paper and stuff, for everybody. You need to read that book. Then you'll kind of understand what they did then and what they did recently.

We've always required equity, and real estate loans and everything—twenty percent down, or twenty-five percent down, depending on the risk. This year, up until our sale [to BancFirst] is the best year we've ever had.

MJH: You mentioned Goldman Sachs, and I guess there's not a lot of love lost between you and...

BW: It's just what they created. I'm not that intelligent on how that all came about, but when the government punts all that money into AIG, that really bailed out Goldman Sachs, because they had all those mortgage loans that weren't any good. And AIG had guaranteed those. So they funneled all that money into AIG, and AIG paid all the claims, not only in the U.S., but in Europe, overseas, in Germany and England, and that's why AIG was bailed out at that time: to save the big problem at Goldman Sachs. That's my opinion.

MJH: What's your assessment of all the regulations coming down now? Can you give me a sense of where you think that's headed?

*Chuckled*

BW: That's one of the reasons why I retired and sold the bank. Increased regulations... and for a small bank our size, just the cost of complying with all the regulations that are coming down the pipeline now... They are very difficult. And then with the Obama Administration and the tax consequences, I felt it was time for me to sell the bank. If I didn't think the taxes were going to go back up like they have been in the past, I would not have sold my bank. I really wouldn't. The capital gains tax may be thirty-five percent next year, or the year after, I don't know. Right now, it's fifteen.

MJH: Go back for a moment, and tell me a little bit about your early history with the bank.

BW: How I got here?

MJH: Yes, how you got here. Was it a family deal? Did you start it?

BW: It was my wife's family. Her father had just bought controlling interest in The Union Bank in January 1963. He passed away shortly thereafter. The family asked me—I had an insurance business in Tulsa—and they asked me if I would be interested in taking on the

bank. Of course, I'd never been a banker. I talked to several of my friends, and they said, that's the opportunity of a lifetime. You ought to do it. I talked to Grady Harris, who was president of Fidelity at that time, and he said, "I've checked you out very well, and I'll be glad to loan you the money to buy fifty-one percent of the bank." In those days, we had a little better deal: three percent interest, and no principal payment for five years. So I figured, I ought to be able to do something with that.

So I moved to Chandler, sold my insurance business in Tulsa, moved here, started another insurance agency—National American Insurance Company—I was president of that, and started that with...I started a regular insurance agency in January 1964, and it grew pretty well.

MJH: Tell me about the banking business in the sixties. What was that like?

BW: This bank was very conservative. I mean, very few loans, when you really looked at the...It was about a \$3 million bank, and probably \$400,000 in loans. Most of those were real estate V.A. loans. I went up and down Main Street, calling on everybody on Main Street, and introduced myself, just like a salesman. Then I went up to Carney and all the other little towns around. I spent about six months knocking on doors and introducing myself. Joe \_\_\_\_\_ was an officer of the bank at that time. And I said, "Joe, you guys haven't really made any loans. Why don't you go out and make about \$10,000 in loans, and I really don't care about the quality of the loans: just make them! Let people know we're in the lending business." So that's what he did, and we kind of grew from there.

MJH: Was it hard to break in, coming from Tulsa to a small town?

*Chuckle*

BW: You know, it was a little difficult, I guess, in the beginning. But the family had owned the bank...Dr. Marshall had been a part owner of the bank, and then Tiglmans, then the Hoffmans...

MJH: Okay, so all those guys were all in the Union Bank?

BW: Yes, I bought out the Hoffmans, and the Tiglmans, over the years, after that.

MJH: I guess I could read about that, but the lineage of the bank goes back to Hoffman, Charles, and Conklin...

BW: Unhuh.

MJH: So how did your wife's family...

BW: Dr. Marshall was married to a Conklin. That was all—there was a relationship there.

MJH: Dr. Marshall was your wife's dad?

BW: Can't think of her name right now... Anyway, there were three sisters, and she was one of them. So he owned stock in the bank, not very much, but he owned stock in the bank forever. I don't know how far back that was. The Hoffmans kind of moved off, and Roy Hoffman was active in the bank at one time, and then went to work up at First National. And Peter Hoffman—both of those guys... I think Roy was about the only one that worked in the bank. I think Pete went to Oklahoma City early on.

MJH: He was one of my dad's best friends.

BW: Was he? He was a good guy. I remember him—not well, but...

MJH: I remember him pretty well...

BW: Roy, I knew, because he had been working here. Shortly after I bought the bank, I had dinner with General Hoffman at his home. That was an interesting evening.

I spent a lot of my time in the insurance business, after the first three or four years. In the eighties, I really kind of went back to the insurance business full-time, just to make enough money to pay everybody.

MJH: Why do you think this bank weathered the eighties when others didn't? Conservative loan policies, that kind of thing?

BW: We had very difficult times with the bank examiners. They about drove me crazy! I said, "If you guys leave me alone for six or nine months, and I'll make enough money each month to get rid of these loans that we've got to get rid of, and they'll be gone." I went down to Dallas, and met with those yoyos down there, and we came back, and we just went to work."

MJH: What is it about these guys? These are feds, right?

BW: Office of the Comptroller, not the Federal Reserve or FDIC. But they... A friend of mine had the Fourth National Bank—was president of—the Fourth National Bank of Tulsa, and he called me one day, during whatever year that was in the eighties, and said, "Well, guess what? The examiner is leaving our bank is coming to your bank, and she is the worst examiner I have ever dealt with." And then he said, "Good luck!" She still works... I won't mention her name, but anyway... I think she was under heavy instructions to clean the banks up and close the ones that needed closing. A couple of banks in Enid—I knew very well—I mean, we were closing banks every day, there for awhile!

MJH: Remember how *The Daily Oklahoman* kept that tally? Whenever a bank would close, they'd publish a map, and have a dot where the latest bank was...

BW: Yes... I had two or three friends who lost their banks. I had a bad experience. My partner in the insurance business wanted to get in the drilling business. I thought, you know, I wasn't really interested, but I had a loan officer who had a drilling company at one time,

and I said, “If you convince him to go back in the drilling business, I’ll do it.” And that was the biggest mistake I made in my life. It was March of ’82, and the drilling business had stopped. And we had four rigs, and I remember we had one rig, and we paid \$3.4 million for it, and sold it for \$360,000. That’s when I went back to work in the insurance business, in order to recoup and pay that off. That’s how that happened. That wasn’t a pleasant time. But it made me a lot better lending officer, I would say. You learn by going through very difficult times.

I had a 48 percent interest in a bank in Broken Bow. I had to sell that just to appease everybody on the drilling loans, while we paid those back. That wasn’t any fun.

MJH: Who was president of Fourth National [Bank of Tulsa] back then?

BW: Ed Keller.

MJH: Okay, that’s what I thought. I taught his children at Holland Hall—Amy Keller and...

BW: Ed’s a great guy.

MJH: And he had a son there too...

BW: I really don’t remember. But Ed—we’d talk a lot, and I did a lot of business with the Cherokees then. I got Ed to help me put the financing together for the casino in Tulsa when the Cherokees put that in...

MJH: You’re of Cherokee descent yourself?

BW: Yes.

MJH: I guess you’ve done some business with the tribe. How has that played into your banking business?

BW: Things I do with the Cherokees...I try to get some of their banking business—I’ve got loans on some of their...Cherokee Nation Industries, I helped them with that, and about that time, Ross Swimmer was the chief, and he hired (I can’t remember the guy’s name, but somebody from one of the Fortune 500 companies) to come in and help him with the growth of the Cherokee Nation Industries, which was involved with government work...electrical...And he made a big difference, because he was a good businessman and the tribal council listened to him. It really turned the Cherokee Nation around.

MJH: I remember Ross...

BW: Ross did a great job down there.

MJH: He had a son too at Holland Hall. Joe...

BW: Did he really? He's back in Oklahoma now, and he's working for the tribe, raising money for the...

MJH: Joe, his son?

BW: No, Ross. He came over here to try and get some money out of me. They're trying to re-do the historical park—the teepees, whatever the thing is—it's kind of dilapidated...

MJH: Tsa-la-gi?

BW: Yes. You know what? I am really more interested in providing scholarships for kids going to college than the Cherokee Nation that makes about \$100 million a year off of the casinos. Things like...Oh yes. Two years ago—I don't know what they made last year, but two years ago they made \$93 million net. And that's not too bad.

*Laughter*

MJH: So, did you have a few relationships with the Cherokees?

BW: I did, in those days. That was in the eighties. I was over there quite a bit, and knew everybody. After Ross left, I stayed pretty active with them. Then, I don't know, it got to be too much turmoil, too much hassle, putting up with everything. We did get some casinos going. Ed Keller helped with that.

I've done several Indian tribe loans. Sac and Fox...Then, we put together the financing for the Otoe casino up at Newkirk. I tell you, it's amazing how much...I mean, we loaned those guys \$25 million, and in two years, they had half of it paid for and had to add fifty thousand square feet onto the casino, and paid for...

MJH: And this was the Cherokee casino?

BW: No, this was the Otoe. That's up in Newkirk, in the middle of nowhere.

MJH: I was in Durant, for the [Oklahoma] Historical Society's annual meeting, and that blew my mind...

BW: Naife (?) has done a great job down there.

MJH: What bank is he with?

BW: I'll have to look it up. I've known Matt and John forever, and they run a great bank. And of course, he's a great ...(?) He's a mastermind at working money out of the state.

MJH: That's a good skill to have.

BW: It's a great skill.



MJH: Would you say that, when these casinos started coming in—I guess that was in the eighties—and after that, they have been a tremendous benefit to the tribes. Do you see any negative effects from the casinos?

BW: I'd say, the casinos right now, they are probably stabilizing the workforce in Oklahoma. You see how many people are working at casinos now. They can make a town like Durant—I mean, wow! Seven or eight hundred employees in the second year, probably.

MJH: Isn't Durant the fastest growing town in the state?

BW: It could be. I don't really know this, but people have told me about the economic benefits of gambling in Oklahoma have been huge. I'm trying to get a casino out here on the turnpike right now for the Sac and Fox. We bought them seventy acres out here, a bunch of us here in town, gave it to them, and we're working on a casino now. We've got an investor who's putting up \$40 million, and he's ready to go, you know. And we want to make it upscale—I want an upscale. I want a hotel, I want a...Have you ever been to the Quapaw?

MJH: No. I haven't.

BW: If you ever go up there, you need to pull off the highway, just where you cross the border, and go look at that—Quapaw.

MJH: That's coming from Missouri?

BW: It's on 44.

MJH: Yes, actually, I did come through there last summer.

BW: That's a picture of their hotel.

*Pointed to photo*

That's out in ...nowhere.

MJH: I pulled off the highway for some reason, and I remember seeing that place.

BW: I went up there to spend the night, just to see what it was like. They hired the right people, to put that together. The best steakhouse I've ever been in, worldwide. You go in there and ask the old warriors who cook back there that does the steaks, and he's fantastic.

MJH: I'll put that on my list!

*Laughter*

Tell me, at this juncture, about the regulations coming down from Washington that pushed you into a big decision in your own bank: What is your perception of where small town, community banks really are. And I guess that's how you've always styled your bank—as a community bank?

BW: Of course, I have known the Rainbolt family forever, 'cause Gene Rainbolt bought Federal National down in Shawnee about the same time as I bought this bank in Chandler. He's tried to be community-minded and let the community banks pretty well...I mean, we don't run it the way we ran it before, but really, as far as being community-minded and doing the best things we can for the town, I think David Rainbolt—that's his goal. That's the reason I went with him, when I got ready to sell.

MJH: Were there some other options?

BW: Yes. But I didn't really explore any other options. We'd kind of talked off and on for the last four or five years. And right now, the banks that are healthy enough to buy banks—they are not very many of them. And they're not too interested in small-town banks in Oklahoma. Bank of Oklahoma is not buying any small community banks, never has...

MJH: How about MidFirst?

BW: MidFirst—you know, they bought Local Federal. That's how they got all their locations... They bought some banks that were in trouble, I think, around Oklahoma City, probably...

MJH: They have a lot in Arizona...

BW: Yes.

MJH: Why was Gene Rainbolt interested in Chandler, and interested in your bank? What drew him to this location?

BW: The main thing is, it's the county seat, really. That's the one thing, when I got in the banking business, you talk with different people, and they said, "Don't buy a small-town bank unless it's the county seat." That was a long time ago, in the sixties. But David, and the Rainbolt family, they have Prague, Stroud, now they have Chandler, and Meeker...They have the whole...I control about, probably, fifty-five or sixty percent of the deposits in our area code, and so, when he looked at that, and our bank is a \$150-million bank, in a small town, and a good branch in Tulsa. It made a lot of sense.

MJH: You already had a bank in Tulsa?

BW: Yes.

MJH: Where?

BW: 5500 block of South Lewis...My daughter worked in the banking business at Stillwater National in Tulsa. And I'd had a small branch down at Meeker, and it really wasn't making enough money to build a nice building and everything, and I decided to close it and open a branch in Tulsa. And she agreed to come, and we opened a loan production office to start with, and then in a few years we built...we were into full branching, and then a new building.

MJH: She had been with Stillwater?

BW: Yes. She had worked in the banking business...She started with the First National of Tulsa, in their training program, and she had worked at Stillwater, and Frank Henke's bank—American Bank. She had about twenty-five years experience, good loan qualities...She's one of those bankers who takes care of her customers. And they followed her. It was a good deal for us.

MJH: My brother works for Stillwater [National] at the Waterford in Oklahoma City. He's been there for, fifteen years, maybe?

BW: ...the last few years. {Notes indicates BW said Stillwater Bank had been in trouble.}

MJH: He doesn't talk about the business. He mainly talks about golf.

*Laughter*

BW: And then, it was primarily the bank's...their Tulsa operation is really what got them in trouble. You hire the wrong people and pay them for production...It needs to be profitable, not just loans. They need to pay you back.

MJH: Generally speaking, how would you characterize Union Bank, up until a week ago. As a community bank? What I want to know, what do you think, over the time that you have been involved with it, has distinguished it from others?

BW: We work for the community. I spend, probably in the last fifteen or twenty years, I've probably spent fifty percent of my time trying to help the town grow. I was involved with the...I don't guess you've to the armory out here, and interpretive center that we put together...re-did that armory, 17,000 square foot...we spent a million-two on it. I think we got \$700,000 from ODOT, because it's on [Highway] 66, and it's really nice. Quite a few years ago, we worked real hard to get Highland Dairy to open their plant here. And then, when I left the insurance business, we had 400 employees over there. So you take the Highland Dairy and the insurance company and the county seat—it's really stabilized our real estate. Everything in Chandler has done very well.

MJH: Is it in a growth mode, or holding steady?

BW: Yes. You drive up and down our Main Street, and you see cars. You go over the Stroud or go down to Prague, and any of these other small towns, you don't see that. It's kind of

amazing, every time I drive down Main Street, I think, “My gosh!” That’s one of the things I think people notice when they come into town. There’s not very many parking places on Main Street.

MJH: I know. I drove all the way down because I couldn’t find Union Bank. I overshot!

*Laughter*

This is good stuff...

End