



Oklahoma Bank and Commerce History Project

a program of the Oklahoma Historical Society

Interview with Wayne Cardwell

**Original interview for historical project under the direction of
David Rainbolt – *Loyal to Oklahoma: A History of the BancFirst Corp.*
Claremore, OK, 1/31/2012**

Interviewer: Michael J. Hightower

Audio taped and transcribed by MJH

MJH: It is Tuesday, January 31, 2012, and I am with Wayne Cardwell at First Bank in Claremore, Oklahoma, to discuss his history with the BancFirst Corporation. I interrupted you a moment ago. Sorry about that. So pick up where you left off. You were originally from Haskell...

WC: Yes. I went to work at the City Bank in Muskogee about five months after it opened. The charter was granted in '73, and it opened July 9, 1973. I went to work there in late December.

MJH: What took you to that particular place? Why City Bank in Muskogee?

WC: I knew the president of the bank. He had been with the First National Bank in Muskogee for quite awhile, and it was one of our upstream correspondent banks in Haskell, so I knew him. I knew he had chartered this new bank, and I just went over and talked to him.

MJH: What was his name?

WC: John Hannah. H-A-N-N-A-H. He and Jay kind of say that they're related to each other, several lines removed, probably fourth, fifth. They're both from Arkansas, and they think they're related back there somewhere.

MJH: So, what did you do at that bank?

WC: City Bank? I went over as a vice president and loan officer. Then, I became president in '78. John Hannah was chairman. I don't know how much of this you need to know the story on—how much you'll plan. He was on the state banking board. He made enough bad loans over the years, and the examiners let him get by with it. He would convince the examiners...I think he leveraged his position as a state banking board member. The loans that he made in '75, '76, they all culminated in big charge-offs in 1980. We had to re-capitalize the bank somewhat--\$500,000 or so. And he ended up with shingles. I think it was a reaction to stress. But anyway, he didn't ever attempt to make any more loans after he had that exam in 1980. So we re-capitalized the bank. The bank ownership was widely

held. There were probably 150 shareholders, and Hannah owned the largest block of stock, which was about 17, 17 ½ percent of the stock.

He kind of put out the word that the bank was for sale, and Mr. Rainbolt stopped by one day, and he sent him into see me. And I was in the process of restructuring a loan—an unsecured, \$175,000 loan, that Hannah had made, and I told Mr. Rainbolt that I didn't have time to talk to him!

Laughter...

He still remembers that! And I really didn't. They were coming into sign in about an hour, and I did the real estate loan, and I was right in the middle of trying to get that thing restructured. I thought it was more important to get that loan secured than talk to Mr. Rainbolt, at the time.

MJH: At a later age, he might have appreciated that focus.

WC: Then, we had three or four different suitors. There was one guy from Sapulpa. There was a guy from Tulsa. There was the Krumme family from Bristow that indicated an interest, and then Mr. Rainbolt.

John Hannah wanted whoever bought the bank to retain all the staff, including myself and him. He just wanted to stay around with a chairman's title and, you know, have an auto furnished to him for five years, and an expense account, and a reduced salary. He ended up letting me decide on who we were going to sell to. He said, "You're the one who's working with them. You decide." And actually, Mr. Rainbolt was the only one that was interested in buying the bank and retaining the staff.

MJH: So the others wanted to...

WC: They were going to put their own people in the bank, at least the president. So not only did John Hannah stay five years, but he was there seventeen years later. And he, actually, was there when they put him on the BancFirst board.

MJH: Did he have any prior relationship with Gene?

WC: I don't really know to what extent they did, but it wasn't substantial. They knew each other, of course. John Hannah was pretty heavily involved in politics. He was kind of the Mr. Democrat of eastern Oklahoma. Their paths had crossed, I am sure, but I don't know the relationship.

MJH: Maybe on the OBA, or something like that.

WC: Yes.

MJH: So you were—you went to work there in '73, president in '78. I guess then it would have been Thunderbird...

WC: Actually, Mr. Rainbolt...A contract was signed in '81—October of '81, by the bank. Mr. Rainbolt bought the bank personally. And the contract was for him to purchase eighty percent, which would allow the holding company to take the acquisition debt in. During the six month period it took to get all the necessary approvals, he saw what the bank was making, and he ended up saying he would buy all the shares, up to a hundred percent. Not only eighty percent; he would do up to a hundred percent. And he ended up purchasing about ninety-eight percent of the bank.

MJH: Why was it so profitable? Who were your main customers? Why were you making so much money?

WC: We had good non-interest income. We had a pretty good loan demand. As long as you're making good loans, you can make good money.

MJH: So who were you serving in that marketplace? Agriculture...

WC: We had very little ag business. It was mostly commercial and industrial. And we had a fair amount of consumer [loans] also.

MJH: So Mr. Rainbolt owned the bank after that. So what were some of your early experiences, coming under that ownership?

WC: One of the first things that happened was...Thunderbird Financial Corporation was the one that kind of oversaw the bank. Vernon Green was who I reported to, initially.

MJH: Who was Vernon Green.

WC: He was one of the...I guess you'd call him the regional guy for Thunderbird, covering a certain territory for them. There were certain banks under his supervision.

MJH: Can you describe that relationship—the new relationship with Thunderbird, with Gene, and so forth? What was that like?

WC: They pretty much let us run the bank, as we saw fit. We just didn't do dumb things anymore. We tried to make good quality loans. We had an active board. There were a couple of them on the loan committee. And we had a rather low loan authority at the officer level. Any sizeable loan was...

MJH: You couldn't have gunslingers going out and making irresponsible loans.

WC: No, we could not.

MJH: So this was the early eighties, and we're getting perilously close to the Penn Square fiasco. Describe that period.

WC: We had a very good economy in Muskogee. We didn't really have any oil and gas loans in the bank. The closest we came to that was, we did have a rig loan to a guy, and we ended up getting out of it without any major loss. So our business was good, even in the eighties, because we escaped a lot of the problem areas in ag and the oil and gas industry.

MJH: So, no real fallout; no correspondent relationships with bank that might have caused problems?

WC: No. When we closed on the sale, Mr. Rainbolt had an available line of credit at Fidelity Bank, and he let me close it with everybody. I was the agent for him to buy the stock. And I bought all of it except mine and Morris Petty's, another director. And Morris only owned a hundred shares. I don't remember how much I owned, but it was around two percent.

MJH: Describe some of your meetings with Gene. And David came in...

WC: David was on our board for awhile. We he came to work for Gene—he was at a bank in Dallas, had been—and he came to work for Thunderbird, actually, I think where he resided at the time. And he was on our board, and Liberty State Bank in Tahlequah, and the Sulphur bank—Oklahoma State Bank, I think—I don't remember the name of it.

MJH: So those are the three banks that he was on the board of.

WC: Yes. I think it was to give him a smattering of what went on in the community banks.

MJH: Was he on the Shawnee board?

WC: I'm not aware of it, if he was.

MJH: Tell me about that experience, with him on the board, with you, in Muskogee. What was he, still in his twenties?

WC: Yes. When David came on the board, he was like, twenty-seven, twenty-eight years old. They had some guidelines that we went by, they had a bonus program then that was pretty lengthy. It covered everything from classified loans and net income to being active in the community with civic organizations, what kind of yield you'd get on your bond portfolio, what kind of net interest spread you had, to earn a pre-determined bonus. It's a lot simpler than that now, but back then, it was two or three pages long, as far as, you had to meet several different requirements, and then all those totals were added up. It was kind of a matrix.

MJH: Other than that—bonus plan, and I guess some of your accounting functions became more centralized under Thunderbird, that kind of thing...

WC: We reported to them. We had what we called a planning and control system—in fact, a computerized system—and we would send that information in.

MJH: It sounds like, for the most part, it was kind of a seamless change of ownership, and you're still running the show.

WC: Actually, it put me in a position to run the show. John Hannah ran it before Gene bought it. He was the chairman, and he remained the chairman, and he tried to use his influence with our lenders to make loans to his friends, or renew loans to his friends. I just told all of them, whatever they did, their initials were going to go on the loans.

MJH: So it sounds like your experience in the eighties was not nearly as painful as it was for a lot of folks.

WC: Well, it wasn't in Muskogee. I guess we were just fortunate to have the economy that we did.

MJH: So you converted to BancFirst in '89. Did City Bank in Muskogee—was it one of the originals that was folded under the umbrella? I didn't think it was...

WC: It was not. There was an original group that went into the multi-bank holding company. Muskogee was not one of those.

MJH: I think there were sixteen.

WC: I was thinking there were twelve, but you may be right.

MJH: I know the first annual report...So yours was not part of that original cluster.

WC: No, but it went into BancFirst in '89, because that's when branching became legal.

MJH: Okay, 1989. What was your experience with branch banking? I know that this state and Texas were about the last two holdouts, and a lot of the rest of the country had already legalized branching and multi-bank holding companies, and this state was a hold-out. What was your experience with that?

WC: Let me back up a little bit. About 1984, Mr. Rainbolt approached me about being a cluster manager. It was actually between...He was choosing between me and Steve Oxley (sp?), who was at the Tahlequah bank. Annually, we went to Gaston's Resort over in Arkansas. And Thunderbird and Trend Life would sponsor it. One would sponsor the golf tournament, and the other a fishing tournament. Mr. Rainbolt called me into the restaurant there, at Gaston's, and told me that I was the one chosen to be the cluster manager. Not only was I over Muskogee; I had Tahlequah, Wilburton, Sallisaw, and McAlester.

MJH: That's a pretty broad territory. Wilburton...

WC: McAlester, Sallisaw, Muskogee, and Tahlequah.

MJH: So, was there any hesitation on that deal, or did it sound pretty interesting?

WC: Not really. It was the only thing, in my entire career, when I felt like I never was ready for my next move, the next promotion. I was honored, but I really didn't feel like I was ready.

MJH: Why do you think Gene thought you were?

WC: I guess, one thing, he liked the results that were coming out of Muskogee. The first examination we had, by the regulators, after Gene bought the bank, I had to miss president's day. I called Jim Bowles and told him that I wouldn't be there. We were having the wrap-up discussion that day. And he said, "You call me when you get the numbers." And I said, "Okay." So I called him up and said, "Our classifieds were seventeen percent." And he said, "Total loans?" And I said, "No, of capital." And he was elated! He had to go run tell Gene.

MJH: President's day was an annual event, where all the presidents...

WC: No, back then, it was monthly. And even now, we have it about six or seven times a year. As long as Gene was very active in the bank, we had it every month.

MJH: Were those meetings scattered around the state?

WC: They were mostly held at one location. For awhile, they were held at Shawnee, at the Holiday Inn. And we moved it to Norman. I has been scattered around the state. Scattering around the state had more to do with the August meeting. It was a planning meeting, that was held in August.

MJH: That's different from president's day. So he liked your results. I guess you did become cluster manager.

WC: Yes.

MJH: How long...Are you still?

WC: The concept is exactly what I am doing today, as a regional exec. They just changed the name when we went into BancFirst.

MJH: What does that entail? I guess you have a few more banks under your cluster, at this point?

WC: I have had as many as nine, in my group. But basically, it entails the oversight of the banks: approving loans over the local authority; dealing with personnel, mainly at the officer level; approving budgets; approving salaries; and in the case of an officer, approving the hiring.

MJH: In terms of how that functions, do you go around to each of these banks in your cluster on a regular basis?

WC: Yes. At least monthly. Depending on the size of the bank. If it's a bigger bank, it's twice a month.

MJH: So what banks are under your purview today?

WC: Today I only have one, which is this group here, in Claremore.

MJH: Are there two in Claremore, and one in Verdigris?

WC: Three in Claremore. Verdigris, Inola, and Tulsa. Tulsa has one branch, but it's going to go away next month.

MJH: Tell me about the economy here. Rogers County...

WC: The economy's good here. It's a busy little town. The traffic flow is good—you don't see any boarded up store fronts. It's the home of a university—Rogers State University. It's a county seat.

MJH: How about the port? The Port of Catoosa has got to be part of it.

WC: Yes, it is. As a matter of fact, Steve Savage, one of the directors, was involved with a company at the port for a number of years. He recently retired. But he does some consulting work.

MJH: Then, do your various banks do some lending to those companies? I don't remember how many are out there, at the port.

WC: A lot of those companies are national companies that bank out of state. So we don't do a lot of lending at the Port of Catoosa. Generally, we do a lot of real estate loans, and we also produce loans for the secondary market. We have two ladies here, that do that. They do a good job. They do a pretty good volume. They are kind of known in Claremore as the go-to ladies—especially one of them...Home loans.

We used to be pretty heavy in construction lending, but it's slowed down quite a bit. Primarily, new residential homes.

MJH: Tell me...You have touched on it, when you were talking about regional managers—I kind of have an image of a flow chart in my mind, of maybe, how that works. Tell me about the BancFirst model. It's a unique model. I have heard it described as a—how did Roger Beverage describe it?—a phantom bank. Instead of establishing branches and going out, you have centralized a lot of functions. But it is really a unique model. What is it like to work in that model?

WC: It's a lot like you never left your unit banking environment, except you have more abilities. You can offer a lot more products, services. A local president has a lot of authority.

Paused to think about model...

I think it's a great model.

MJH: Have any other banks tried to copy all or parts of this model, in other parts of the country?

WC: I don't know exactly how they do it, but there's another bank here in town—RCB Bank—that's owned by Frank Robson. And then, Arvest Bank is a pretty good sized bank here, and they're also located in Arkansas. I don't know exactly how they are set up. They, I guess, would be closely modeled after BancFirst.

MJH: Both of those are Arkansas banks, right?

WC: I don't think RCB is. Arvest is.

MJH: I don't know much about those two, but you certainly see their signs everywhere. Would they be major competitors in this market? Maybe you could describe that a little bit. Who is your main competition?

WC: RCB, definitely.

MJH: How about Bank of Oklahoma?

WC: Bank of Oklahoma only has an in-store—Reasor's Food Store—branch. They're not that active in lending in this area. It's primarily RCB and us. And then there's a bank across the street here, Grand Bank. But we don't run up against them much in lending circles. There's also a Commerce Bank here, which is a branch, and they're just in a little strip center. We don't run into them hardly ever. And then, there's a branch of IBC here. We don't ever run up against them in bidding on a loan either.

MJH: Where do they come from?

WC: They're out of Texas.

MJH: After BancFirst was established... You had twenty years of being a part of BancFirst. Are there any milestones in the nineties or 2000s that you remember as particularly difficult or, maybe, policy changes in the bank? Are there any milestones during that period.

WC: Oh, you know, let's go back to the eighties. It was quite stressful, just being in banking in Oklahoma in the eighties. And even though Muskogee was not really hurt too much... I was associated, of course, with Wilburton, Sallisaw, Tahlequah, and McAlester, and Tahlequah ended up with lots of problem loans.

MJH: I wonder what caused those.

WC: The president of the bank... Gene only owned about ten percent of that bank. He syndicated it. There were about a dozen directors, and most all of them were involved in ownership. And they didn't want... Even though there was an agreement signed with

Thunderbird, they didn't want Thunderbird running their bank. They ended up hiring a guy from down the street, and he came in, and the board had given the president and the and the EVP and the guy from down the street \$1 million lending authority, and they basically cleaned up the other banks. Did a lot of oil and gas loans, out-of-area customers, out-of-state customers, and to my knowledge, there was not an oil or gas well in Cherokee County. That happened in such a short period of time, that within ninety or a hundred and twenty days, lots of bad loans were put on the books.

MJH: Just to get the timing, that was...

WC: ...after Penn Square.

MJH: When did you relocate from Muskogee to here?

WC: I officed in Muskogee until '94. We actually brought in a guy as president in '87, and I spent my time—full time—overseeing other banks.

MJH: From '87 to '94?

WC: Yes.

MJH: Tell me about that transition, when you came up here.

WC: All I did was change residences, and change where my office was. I still had the same banks. But they had expanded. Then, I also had... Gene sold Sallisaw and Wilburton. So I still had McAlester, Hugo was added. I had Tahlequah and Muskogee, Hugo, Coweta, Sand Springs, Jenks, Stillwater. And so, at that time, my wife was wanting to move to Tulsa. So we moved to Tulsa. I still supervised the same banks as I did when I lived in Muskogee.

MJH: So you lived there since '94...

WC: No, I was going to retire in '05, at the end of '05. And they asked me what I was going to do, and I told Dennis Brand (sp?) at Armstrong Bank, and had approached me about doing some consulting work. And he said, "Well, if you're going to work, work for us." I said, "Well, I didn't think I could do it, just working half time, and that's what I want to do."

He said, "No problem. We'd like for you to work for our newly acquired banks."

So I moved to Oklahoma City and worked with some of the banks that had been acquired in recent years. I still had Bartlesville, because it was a fairly new acquisition. And I had to drive back and forth once a month to Bartlesville. We also had Harrah, and Del City, and Kingfisher, and then Guthrie was added. It wasn't a new acquisition, but just because I was in that area. And then when we acquired Moore, it was in my group.

And then, last year, I was going to retire again, and David said, “We’ve been talking to a bank in Claremore,” and he asked me what I was going to do, and I said, “I’m going to move back to northeast Oklahoma,” and he said, “Why?” And I said, “That’s where my family and relatives live.” And he said, “Well, we’re talking to a Claremore bank. Would you be interested in just working with them only?” And I said, “Yes, sounds like a good deal.” So here I am!

MJH: That is recent. That’s 2011.

WC: I bought a house up here, actually, over at Owasso, in March last year, and I moved in July 1st. And we closed on this bank on July 11.

MJH: So BancFirst closed on this bank on July 11 of 2011.

WC: Yes, July 11, ’11. So I’ve been officing here, and I still just work half time.

MJH: So, you’ve spent a good part of your career with the Rainbolts. You have mentioned the management style. They really leave you alone, and they like the results, it sounds like—those kind of speak for themselves. What other things? What have you learned from Gene, and what have you learned from David? And maybe vice versa?

WC: Well, I have learned a lot. I am on year 39. Of course, the first eight years, I guess, seven and a half years, was not with the Rainbolts. My time goes back to 1973, which was with the bank in Muskogee, which is now BancFirst.

I think that the most important thing that I learned was to book good, quality loans. Asset quality was kind of their number one priority. I think that... You couldn’t ask for better people to work for. And the structure, I think, even helps that, because you have... It’s a lot like being president of a unit bank, except you have all of those additional arrows in your quiver.

MJH: That says a lot right there. What is your outlook on post 2008? Has the past three years presented unusual challenges for you?

WC: Somewhat, but it hasn’t been from a bad loan standpoint. It’s kind of like you’re walking a tightrope with your customers. They don’t understand fully—a lot of them don’t—the economy. A lot of these people that live on interest, especially the retired people, their interest rates have gone to pot. It’s nothing, almost.

MJH: I remember there was a day when you could earn a little something from CDs.

Are you optimistic about your line of work?

WC: I am. I think that, in ’08, banks got painted with the same brush that, you know, really, the bad guys that were with the huge, behemoth banks, that were operating with bad real

estate, second and third mortgages, and a lot of obligated documents that... We don't even know what a derivative is. But they were in the derivative markets.

But I think a lot of the banks—the vast majority of the banks in the country—don't do things like that. But banks got painted with that brush—the big banks—you know, the Lehman Brothers that went bankrupt. So we got a bad name in the banking world from what a few did, that caused the economic crisis.

MJH: Do you have anything to do with the great ad campaign that you all have on TV?

WC: No. We've had lots of compliments on those. They're working on one for Claremore, which we should see in about a month.

MJH: The first one of those I saw, I thought it was a little promo for something on PBS. I thought, "This is great—a little community-building program." But no, it was a BancFirst ad. I'll bet they are pretty effective.

WC: The other thing that the Rainbolts furnish I, basically, all the education that you need. They believe in everybody learning as much as they can, to do their job. We have what we call BancFirst University, that Jay Hannah is in charge of. There are classes going on almost every week of the year. We encourage all of our people to go to those classes and be trained to do the best job that they can.

MJH: Mike Rogers gave me a curriculum, and showed me some of the courses, and so forth. Have you attended some of them? You've probably taught some of them.

WC: I have attended them in years past. I haven't recently.

MJH: Any other comments about where BancFirst is now? Is it in an expansive mode? Are you in a hold-your-own mode? What would you say?

WC: I am not real knowledgeable about what their plans are. David made a statement that they didn't have any banks that were in line to be acquired this year. They want to absorb the five banks that were acquired in the last year and a half.

MJH: Do you know which ones those are?

WC: Yes. Jones, Moore, Chandler, Okemah, and Claremore.

MJH: I met Ben Walkingstick the same week that they were changing the signage. I had an interview with him for another project that I am working on.

WC: Jones would not have been within the last year and a half, but it was a recent acquisition.

MJH: Okay, but in the last couple of years. So as far as you know, there are none on the horizon. Just really consolidating...

WC: As far as I know, but they keep that pretty quiet, to themselves. We generally don't know until there is something brewing, or until the contract is signed.

MJH: From what I can gather, when BancFirst does come in...Do you often see that there is some resistance at first, and then, maybe, folks find out that things haven't changed all that much?

WC: Yes. I think it's a normal reaction, for people to resist change. But I think after they've been in...If they give us a true shot at it, I think, by and large, they are happy and pleased that they stayed. Because really, it's almost like banking as usual. They'll see—the customer sees the same loan officers, primarily, the same tellers. We just do things a little bit different, in a branching environment.

MJH: I imagine a lot of the things you do differently, your customers don't necessarily see them.

WC: No, they don't.

MJH: They see familiar faces, the same building, and that's fine.

WC: And then, we generally, when we go into community banks—buy one—we generally put some tools in their arsenal that allow them to give their customers better service, more products.

MJH: You mentioned community banks. I have been going back in the minutes, and the *Oklahoma Banker*, and everything else, and something that keeps coming up is the “super community bank” notion. Is that still sort of in the back of everybody's mind? Does that encompass your philosophy?

WC: Yes, I think so. We just have...The smaller banks, in some of these rural communities, they don't have the people, the time, or the money that's required to have some of the products that we offer. And I think it's a lot better, from a regulation standpoint, to be in a branching environment. If you have specific people in your organization that monitor certain procedures—every time there is a change in regulation, we expect our support center to let us know what it is. And then they, in turn, will make sure that we've got the proper forms and the proper training to handle that regulation. And there have been a lot of them, in my association with BancFirst, that require interpretation, require additional schooling, in some instances. In a branching environment today, with BancFirst, our basic charge is to grow loans and deposits. Quality loans. And you don't have to worry about filing a call report, buying Fed funds, or buying securities. They take care of that in Oklahoma City.

MJH: At the Support Center.

WC: So all you do is customer service work.

MJH: That's got to be a banker's dream.

WC: Yes, I think so.

Now, there still is a lot of reporting to Oklahoma City. But, that's to assist them in doing the paperwork they have to do.

MJH: Any other words of wisdom from a thirty-nine year career in the business.

WC: Nothing that comes to mind.

MJH: That should give me enough to sift through for awhile. I will turn this off...

Turned off tape recorder...

Turned on tape recorder...

WC: ...He was my boss at one time also. He had a group of banks, and he and Jay Hannah moved around eastern Oklahoma. Jay was at Guthrie, so Guthrie was in our group. And there were ten banks—we had the ones I have already mentioned to you in the eastern part of the state. Plus we had Broken Bow and Wright City. David, Ralph, and Jay would fly over to Fountainhead or Arrowhead Lodge, and we'd have a monthly meeting there. And we still do—a monthly variance report, a monthly report, that shows how you're doing in several categories: earnings, for instance; classified loans. One time, there was a guy at Idabel that was terminated. He was in our group too. And Steve ____ and I, the one from Tahlequah, he would come over to Muskogee, and we would drive down together, to Arrowhead or Fountainhead. We'd take turns. I'd drive one time, and he would drive. This one particular time, he was driving, and he was the type of guy that wanted to know everything that was going on, so he spent a lot of time on the phone, and picking up all the gossip he could hear, in the company. He always delighted in being able to tell me something I didn't know. And so, on the way down, he told me, "Did you know that [I don't remember the guy's name now] got fired in Idabel?"

And I said, "Yeah, I had heard that."

And he said, "Well, I hear they are looking for a replacement for him, and your name was mentioned."

And I said, "Well, I wouldn't be interested in going to Idabel."

Keep in mind, this was in the early eighties. And he said, "I understand that the salary level is \$100,000."

I said, "Well, Steve, I sure wouldn't want to take no cut in pay!"

Laughter...

He did a double take on me there.

MJH: Idabel is an interesting place. I was down there in October...

Turned tape recorder off...

Turned tape recorder on...

WC: I think Write City was one of those banks. I think Broken Bow was.

MJH: I guess, since Thunderbird was a consulting company, it was like you were contracting with a consulting company.

WC: I mentioned to you earlier that John Hannah told me to choose who we sold to.

MJH: Yes.

WC: I left out this part. Harry Leonard was a former bank commissioner, and he was the president of the First National Bank of Muskogee. I knew Harry real well, and so I called him one day and told him I wanted to come down and talk to him. I wanted to ask him specifically about Gene Rainbolt. And he said, "My dealings as a commissioner with Gene were great. If we had a bank that got in trouble, we might even suggest to the owners that they get Gene involved to help them, either on an acquisition basis or a management plan to run their bank."

MJH: That would have been in the seventies, I guess...

WC: That was in '81, when I talked to Harry about Gene. He was commissioner in the seventies, but he was in Muskogee in the late seventies, early eighties.

MJH: That is interesting. I have heard that—Gene and his group were problem bank solvers.

WC: Un huh.

MJH: What kind of expertise did they bring to the table.

WC: I think it was all Gene Rainbolt. He had the ability to push you to greater things, and to get the best out of you. And even now, sometimes, he'll sit in on a budget meeting, and he'll try to get the president who presents that budget to agree that he can probably do more. _____. It's not just to make more money. It's do more, accomplish more...

He used to think that I was a computer whiz, and I didn't really hardly know how to turn on a computer. I told him so. I said, "Gene..." He would sit...Some of the programs that we use today, Gene and I talked about, and started producing their reports. I was fortunate enough to have an administrative assistant in Muskogee that was a computer whiz. And as long as she knew what you were trying to do, she would come up with a package to make

it work. But Gene thought that I was doing all that. I told him, “Gene, I can’t do that. I barely know how to turn a computer on.” I sure am glad to have ones that did it.

MJH: That’s the kind of guy you want to work for—who pushes you to do a little more than you think you can.

WC: With me, he was always so gracious, grateful. I just think he’s tops.

MJH: Pretty good note [to conclude on].

Turned off tape recorder...

Turned on tape recorder...

WC: ...Then we meet in the afternoon. All the regionals meet with them, and then we bring in certain department heads that we want to do specific presentations to. That lasts a couple of hours, and then in the afternoon, we bring in all the department heads, and they just bring us up to date on what’s going on in their areas. Like trust; the SBA guy; Mike Rogers in human resources; John Howard, the secondary market guy. Then, Mr. Rainbolt sometimes will come in and out of those meetings.

One time...Mike Rogers is always the last one to report. And one time, Mike said, “Mr. Rainbolt, I think we can eradicate sexual harassment within BancFirst.” And Gene said, “Well, has there been some surgical procedure done that I am not aware of?”

Laughter...

MJH: That’s pretty good! So he’s got a great sense of humor, I am sure.

WC: Very intelligent.

MJH: He is that.

Turned off tape recorder...

Turned on tape recorder...

WC: The thing was, to get your efficiency ratio down. That’s what all the analysts were looking at, you know—efficiency ratio. And ours...The goal was to get down to fifty percent. We were in the sixties, low sixties, I guess, at the time. And David got up, and was talking to us on President’s Day. Our theme was—this was in ’98, I guess—to get to fifty-nine percent in ’99. Fifty-nine in ’99. And David added, “And H.E. would like to be five billion by five o’clock!”

And that's the way he is. He wants to grow, go, grow. But since David has been on board, it has been controlled growth. And David made another comment one time: "H.E. is like Will Rogers. He never met a bank he didn't like."

He got into some pretty...I think Jim Bowles was the one that kind of got him into some of those that we shouldn't have been in.

MJH: Was it Ralph who talked about Jim Bowles? Actually, all of you did in that original meeting. He was the one who...I remember that.

So here we are in Claremore, quoting [Will Rogers].

Turned off tape recorder...

Turned on tape recorder...

WC: About ten of us were called to a bank management committee. There was the head of asset quality, the cluster manager guys, and Gene, and David, and some of these other guys. Anyway, one time, Gene, right after he bought the Weatherford bank, he re-offered, up to fifty percent, of it to those people that sat around the table. And when they bought the bank in Muskogee, I got preferred stock, in addition to retaining my common stock, I got preferred stock for the amount I would have gotten, had I sold. In other words, I got the same price. So I got about \$75,000 worth of preferred stock that paid ten percent. And when Gene offered that, the Weatherford bank, up to forty-nine percent of it, the people that were sitting around that table, I decided that I could afford to buy \$75,000 worth of the stock, because I had that preferred stock, which was kind of a gift to me anyway. So I bought that, never had to put a dime into it, and ended up—it paid enough dividends over the years, over six or seven or eight years, to pay the interest on the debt, and a little principal reduction. And when it converted to BancFirst, in the early nineties, I got 5,300 share of stock.

MJH: That's pretty slick. One thing I do gather is that he really likes people around him to prosper. That means as much to him as anything.

WC: He's quite a guy! I reported directly to him for probably twelve, fourteen years. He was a great boss. As long as you're doing your job, he won't interfere.

MJH: I wouldn't want to be the guy not doing his job.

WC: That's true! That's true!

End

