



## Oklahoma Bank and Commerce History Project

*a program of the Oklahoma Historical Society*

**Interview with John Massey  
First United Bank of Durant  
Durant, OK, 10/25/2011  
Interviewer: Michael J. Hightower  
Audio taped and transcribed by MJH**

MJH: It is Tuesday, October 25, 2011, and I am at First United Bank in Durant, Oklahoma, speaking with John Massey, who is chairman of the board. So with that, I will just let loose to tell me about your family's history in banking.

JM: I was the first one in my family...I bought stock in this bank in 1964, '65, bought twenty shares. In 1966, 1965, the president of the bank and I were having dinner, and he said, "This bank is for sale, and a guy named Bill Kerr is buying this bank." And I said, "Well, that's funny. He's a very close personal friend of mine, and I don't think he would come down here without telling me about it."

So we get back to Durant and I called Bill Kerr, and couldn't find him, and then I called Jack Conn, and Conn asked, "Can you get a contract on the bank yet?" I said, "According to the president, I can." And so he said, "Why don't you all meet me in the morning at 6:30 or 7:00 at the White Hall Club?"

And so we left at two o'clock in the morning and drove up there. It used to take three and a half or four hours to get there. It was all two lane roads back then. So we were there, and we spent quite a bit of time with Jack Conn. We told him about what it was going to cost, and everything about it, that we knew. And he agreed to finance it. And so we excused the president of the bank, who was with me, and he said, "John, how much money have you got?" And I said, "That stock you sold me—in this company that you and Happy Camp are involved in—I think I bought \$400 worth of that."

He said, "My God, son, go sell it! It's not going to make it. If the price is good, go sell it." And I got \$16,000 out of it. And he says, "Can you put together another five?" And I said, "Yes." Then he said, "Well, good. Then what we can do is loan fourteen of you \$85,000 each, and you put down \$21,000, so you'll have a net debt of \$64,000. And what you'll need to do is convince the fourteen to all sign a statement together, and borrow the money jointly, because you have to protect the integrity of controlling interest."

And so, we came back home, and we found fourteen people, and put it together. Some sold out. One man sold out within a year, and you know, they kept dribbling out, and it

got down to five of us here. They were all much older than me. And so we ended up buying all the stock in the next few years.

MJH: Was this First United?

JM: It was Durant Bank and Trust. And then I had another bank in Holdenville that a group of us bought, years later. It was the First National Bank of Holdenville. And after I got controlling interest of both of them, I went ahead and merged the banks.

MJH: When did you merge Durant and Holdenville banks?

*Pause while JM looked for documents...*

While you're looking for that, if you have any historical clipping files, or anything like that...

JM: We merged the banks on January 1<sup>st</sup>, 1998.

MJH: Fairly recent...

JM: Yes.

MJH: Were there any other acquisitions, then, between buying this bank and the one in Holdenville?

JM: We started up in \_\_\_\_ in 1995 and Colbert, bought it to sell in '96, in 1990. Seminole acquisition was in 1990. Midwest Federal—bought all those in 1990. In 1994, we started the bank in Tecumseh. Pauls Valley in '96. In '98, \_\_\_\_; and bought Sapulpa, Bokchito, Shawnee, and Holdenville—another little bank in Holdenville—and Wewoka, all in 1999, plus Seminole and Ada.

There's a great story I can tell about buying the bank in Ada. Jack Conn, who was my mentor and my friend, taught me how to buy banks. The bank that he was locked out of came up for sale, and the mother of the four boys that owned it wanted them to come down and talk to me, because she had met me when I was a young politician. And we had reacquainted ourselves through the ABA convention, and her husband died, and my competitor here, Arthur Alexander (SP?), my dear friend, and we never let banking interfere with our friendship. We went on a lot of trips together.

Anyway, they came down and visited with me about buying the bank. And finally, we got came into a contract, and the day we got the contract signed, and it was my bank, I said, "Where is the chandelier [from the bank] that Jack Conn was locked out of?" [And someone said,] "Right there." And I said, "I'm taking that to Durant. I'm building a new home, and I'm going to hang that in there so I can remember him the rest of my life." He started me doing this, and spent a lot of time talking with me always. My dear friend was also the attorney that codified Oklahoma banking laws. Happy Camp was the

chairman of the committee. Republicans and Democrats liked him so well, they accepted him as chairman of the banking committee, because he was highly respectable.

MJH: That was...

JM: Happy Camp, from Waukomis, out by Enid. He later went to Congress.

Anyway, I brought the chandelier here, and I got chewed out by the girls quite a bit, but other than that, it was fine. Those ladies bought another chandelier, but it wasn't anything like that one, because that one came from overseas. It was worth some \$20,000, back in the fifties.

MJH: So tell me—I have heard the story that he was locked out of his own bank. Where had he been?

JM: He was a lawyer there in town, and chairman of the board, and his wife's family owned the bank. And so, brothers and sisters got angry, they were looking for dividends. They weren't looking for a beautiful building. And that building today is still, probably, as pretty and nice a building as there is in the state of Oklahoma. I would compare it with any bank, and I have built, probably, thirty buildings. No building is like that building. That building is a first class building, in Ada, Oklahoma—the First United Bank in Ada. As I said, it's a beautiful building.

MJH: And that was the Oklahoma State Bank, at the time he was with it?

JM: Yes, Oklahoma State.

*Looking at documents...*

MJH: So what you're looking at there is a summary of acquisitions?

JM: We can give you a copy.

MJH: That would be super! We can do it later. That would be a really good thing, to help me sort through it.

Continue, if you will: Tell me about Jack Conn as your mentor. What sort of things did he teach you?

JM: Jack Conn was part of codifying the banking laws of Oklahoma. Jack Conn and Happy Camp invited me to meet with them after it was over. And I found out that the banking laws had already been completed with having committee meetings going over it, so that all the guys could come to Oklahoma City for football games. Of course, I was a hard working guy. I had the Oklahoma distributorship here \_\_\_\_ in southeastern Oklahoma. I never missed the meetings. When I was in the legislature, I tried to never miss one. I don't think I ever missed a committee meeting or anything.

But anyway, I learned a lot about banking. I always had an interest in banking. I got a degree in business education and economics, and I always thought about it. When I was a senior in college, I was asked by a banker here in town if I would be interested in coming to work for him. And I told him I was going to run for the legislature. And he said, “Who’s going to run against you?” And I told him that I had heard...And I didn’t realize that it was his brother-in-law. And so I ran, and was successful in the race.

MJH: When was that?

JM: 1960. I stayed in the House four years, and then I was in the Senate six years, which was two terms then, because of reapportionment: I was in for a short term the first time, and then was reelected in ’66.

MJH: Okay. And so you became acquainted with Jack Conn...

JM: ...at the capitol. He was there for the committee. And so I got acquainted with him, and he became a dear friend and an advisor—a person who would help me. He sold me that \$400 worth of stock, that turned into \$16,000.00, or I wouldn’t ever have had the money to come into business with fourteen different people.

MJH: So I guess, through the years, you stayed in pretty close touch with him, when he went to Fidelity...

JM: Yes. I was around him...Not a whole lot. When I was in town, I always went by Fidelity Bank. Friday Fitzgerald worked there, and he was sort of like a second father to me. He always looked after me. I was chief page in the Senate in 1953, and he worked in the governor’s office. I would take the pages down to meet the governor on Thursday morning to get their picture made with him, and that’s how I met Friday Fitzgerald. Friday was the PR man there at Fidelity Bank.

MJH: Okay, I know that name.

JM: Great man.

MJH: Are you any relation to C.H. Massey, or is that another family entirely?

JM: [No.]

MJH: So really, nobody in your family had been in banking before? What did your father do?

JM: My dad was a traveling salesman....My mother was a home maker. There were five of us kids.

MJH: So, you bought this—put this group together of fourteen—and bought this bank in...

JM: ’66. We took it over in January ’66.

MJH: And then, it was shortly after that, that you started buying some other banks?

JM: I was involved in the Holdenville bank, and I am going to say that would have been in '73 or '74. There was a group of us here in Durant that bought half of it. Another group in another section of the state bought it, and then bought the other group out, in I don't know what year. And then, I became the controlling stockholder, I guess, in '91.

MJH: What were some of the most notable acquisitions? Were there any surprises that came along? Any great stories come out of those acquisitions?

JM: No, not really. Acquiring a bank is good. I have had a difficult time keeping the presidents that were there. And most of the presidents wanted me to have it, but we have certain rules that we live by. We don't spend a lot of money on credit cards. We do not buy alcohol at night—it's not smart. We do certain things that most banks don't do, and we don't tolerate it, and therefore we don't get in trouble.

MJH: So, you don't spend too much on credit cards, no alcohol...

JM: We don't mind lunches, but dinners and wine is out. You know, there's times that I have to pick up tickets, but it's not because I'm a banker; it's because I \_\_\_\_.

We're real strict about expenses, and being fair to people, and salaries, then we must do a pretty good job. I have lenders who have been with me for forty years. My chief administrative officer has been with me thirty—no, he's been here thirty-eight years. The head of bookkeeping has been here around forty years. The head of savings has retired, she's working part time now, has been here thirty-eight years. So I haven't made many changes! They've all been with me for a long time.

*Laughter...*

MJH: So you have strict rules. I guess before branching was allowed, you just bought individual banks. And then, once branching laws came into play, you started merging?

JM: We bought several banks. Let me give you a list of them. We've got quite a few banks, and they're all branches of this bank.

MJH: So this is the headquarters. Are they mainly in the southeast?

JM: They come from Sapulpa to McKinney, Texas. They come from Oklahoma City down to Denton, Texas, and all in between. We try not to go past I-35 or above I-40. I have stayed in my vicinity.

MJH: And they are all branches of First United.

What was your involvement in the whole branch banking movement?

JM: You know, back in the eighties, when we lost so many banks in Oklahoma, they had to have new capital. So they opened up the branching laws then, and went to interstate banking. Was it good or bad for Oklahoma? I don't know. I think it was good. We were opposed to it until the eighties, the shake-out of the eighties. And then, after that, we needed new ideas, new capital primarily. We had an awful lot of good bankers in Oklahoma, and we had a lot of good bankers that lost their banks. And you know, if you really think back, there are a lot banks closed that shouldn't have been closed. If they'd have sat still and given that banker some time, then that bank would have survived.

MJH: Do you think a lot of the regulators were too zealous?

JM: I've had a great relationship with regulators. But I have seen some people...A regulator would classify a loan just in case it might go bad. And I have seen things that always felt like—and I have talked to the FDIC about this—if they would find one of these banks that has integrity in the bank, total integrity, left a man in that bank and leave it alone, as long as it's making a profit, leave it alone: it will grow out of it. The FDIC could stick around and see that you're not making any stupid loans or anything, but the banker could have collected his loans, whereas, if the FDIC took it over, and they sold those loans for eighty cents on the dollar, and it wasn't a smart deal. I do think that...Regulators put a lot of pressure on these people that are out here regulating banks. They've got to be right. And so, if they're going to take a chance, it's not going to be on you. It's going to be on the customer. And so what happens is, they classify a loan, you can argue with them all day, and they're going to classify it. I can say this, but very seldom ever classify a loan when I argue about it. And the last time I got in an argument, I was wrong!

*Laughter...*

I called them, and told them, "I was wrong on that!" I collected all my money, but my information and what they looked at were two different things. I have no complaints about regulations. Regulators have treated me fair and right, and I have total respect for them. And you know, coming in from the business world to be CEO of a bank—it's not the easiest job in the world. I was chairman of the board here since 1975, but I didn't come down here full time until—part time in '84, full time in '85, and I bought controlling interest in '86.

MJH: You mentioned your other business. You had a distributorship for...

JM: When I was still in college, I took over the *Daily Oklahoman's* local franchise. It was a distributorship contract with the *Daily Oklahoman*. And then, I guess, in '65, they came out with a living textbook program—newspaper as part of textbooks. I had southeast Oklahoma—I covered that.

MJH: Okay. You were talking about regulators. That makes me think of the watershed in Oklahoma banking history—the Penn Square Bank failure. What was your experience through that period?

JM: That was the toughest period that we have ever gone through. That failed, I think, around the Fourth of July. I was in Oklahoma City, and then the rumors got started, “This one’s going to fail, that one’s going to fail.” It caused a lot of unrest. And the FDIC, of course, they insured \$100,000. A lot of banks went down. Now, how many of those banks should have survived? I don’t know. But I always said, if a man had any integrity, leave it alone. They say that they found some corruption, in ninety percent of the banks or something, and I would question that, from the standpoint that they might have charged something to the bank that they shouldn’t have, something, you know. There’s no way for us to know the specifics, except for what they said—up to ninety percent. I always wondered about that. What’s wrong in some people’s eyes is not wrong in other people’s eyes. It’s all in the eyes of the beholder.

MJH: So the ninety percent—that was the standard...

JM: Of the banks they closed. I think the way to judge that is to go back and see who they filed charges on. They should have filed charges, and there weren’t that many charges filed. There were charges filed on a lot of people, yes...

MJH: So you think that, maybe, ninety percent of the banks closed...

JM: ...there was something illegal or wrong

MJH: Okay. Did any of the banks that you owned or were involved in at that time have any direct problems with energy loans? Has that been a big part of your business?

JM: Back in the eighties, we bought a bank out in western Oklahoma, and we found fraud in the bank. A week after we had bought the bank, we found some bad things. We notified the regulators, and they said...do the best you can, and we can get there in about six months. And so another month passed, and I said, “You all have got to come. This thing is horrible.” And so I finally got them out there, and closed the bank. Of course, I went to Fidelity and told them how I would pay them back, because I had borrowed the money there. And I worked out a deal with them, no problem. Then the people that sold us the bank were sued by the FDIC. I don’t know what they got out of it. I never did find out. I sued them and got settled with them. And the FDIC sued them. And all the other stuff—nothing was ever brought against any of our people.

MJH: Did that period present any opportunities to you?

JM: Well my God, yes!

MJH: Is that where you got some of your acquisitions?

JM: You know, after this time is over, that we’re going through right now, there will be a lot of acquisitions because there are so many new regulations, and compliance. You’ve got to be a forty, fifty million dollar bank before you can afford to comply. And I feel sorry for these poor banks that have to comply with a lot of things. Congress intended for it to

be against the big banks in New York, and they give them the money to stay in business, and not all these country banks! I'm thankful that we've got people like Roger Beverage at the OBA to represent us in Washington, and a bank commissioner like Mick Thompson that will stand up for us.

MJH: So it sounds like the fall-out of the eighties presented a lot of opportunities back then, and the heavy regulations are going to present opportunities for larger banks to expand.

JM: I don't think larger banks are going to expand now. I think what you are going to see is a lot of merging between smaller banks and some that are a little bit larger. And that's so healthy. You know, people compete for customers, but if you can do that with integrity, you're going to have a friend there. Like Bokchito. The president said, "I want you to own this bank." And I ended up buying it, and I put him on my board. And there wasn't any jealousy between us. We've been friends, acquaintances, for many years. It worked out fine. I bought the bank in Calera, and I bought the bank at Colbert, and it failed. The owner of that bank was my friend, and although he did something wrong, he's still my friend. His son-in-law works for me today, and his granddaughter's my lawyer!

You never try to think bad towards people. We've got five banks here in town, and I know all the presidents, and I have total respect for all of them.

MJH: So you have four other banks, besides First United, here?

JM: Yes.

MJH: Do you think that's too many? I've heard it said that there is a surplus of banks out there.

JM: There is a surplus of banks, because, you know, your next loan comes due, and there's a bank on practically every corner. Tulsa's the same way. But I read in different banking deals that the Bank of America is going to close down a lot of their branches, and Chase is—people are going to close down a lot of branches. It never entered my mind—I closed one in Dallas, and moved it out to Craig (sp?) Ranch. They had a lot of loan business. It's better, if those banks won't sell, a smaller bank sells to a larger bank in town...

MJH: What constitutes the main part of your business? Is it a lot of agricultural loans in this area?

JM: It used to be, but not anymore. We used to have a lot of peanut farmers. I think I might have one now. We used to have a two peanut companies here...two peanut companies, and three cotton gins. Used to have five cotton gins, and there are no cotton gins now. And no peanuts. We've got a storage facility now, they store a lot of peanuts.

MJH: What is the mainstay of the economy?

JM: We've got several manufacturing plants here in town. And we have a university here in town. We the Choctaw Nation located here. The Choctaw Nation employs three or four

thousand people here. We've got a glass factory out west of town, and several small manufacturers around here. There's a distribution center south of town. And you know, I think all of our industries are satisfied here. I have an opportunity to visit with different ones, and everybody seems to be very content.

MJH: So really, ag has gone down considerably.

JM: Oh, yeah. Now, we make a lot of ag related loans, you know. There are a lot of people that have cow-calf operations. So we do a lot of that business.

MJH: What do you perceive as your main opportunities?

JM: I see Durant—we're 15,000, 16,000 now, within three miles of Durant. Our city limit is very small here. Within three miles of Durant, there are probably 20,000, 22,000 [people]. I look for it to double within the next five years.

MJH: Really? What will bring them in?

JM: I think we've got the right attitude, and we've got the labor market. We have a vo-tech here; we have a college here; we have a great public school system here. We just built a thirty-something-million-dollar high school. We built a new library across the street. The city has raised \$16 million for the university to expand its horizons. Everything in this county is good.

MJH: What are some of the challenges?

JM: You know, growth... You know, so much of the building is outside the city limits of Durant. The city limits are very small here. I live—I brought my addition into the city, and I live one mile from here, north. There are probably twenty homes in my addition, and north of the road there, there's probably \_\_\_ homes.

MJH: Looking back on your banking career since the sixties, what are some of the main lessons you have learned?

JM: I believe a bank has got to have total integrity. If you don't have total integrity, you're missing the boat. You're dealing with other people's money; you're dealing with the economy. You've got to be strictly up-and-up on everything.

I've got six hundred and something employees, and we get them together one day each year. We get them together, and we talk about integrity, integrity, integrity, and doing what's right.

*JM referred to printed document...*

MJH: Okay, so this is really sort of your gospel.

JM: That is what this bank is all about.

MJH: So these are the kind of things that, when a new employee comes in, this is part of the orientation.

JM: We talk about that, we talk to them about their health. We've got a gym downstairs, for our people to work out at. We have a membership in every town that has a work out place, and we pay the fees for it. We encourage our people to put God first in their lives, put their families second, and whatever time they've got left, give to the bank, and we will not leave very much of it! If they can do the first two—if they can do that, everything else will work out.

MJH: Everything will fall into place.

JM: We encourage our employees...

MJH: Do you define yourself in whatever town you are in—Seminole, here, or wherever—as a community bank?

JM: A family bank. Family bank.

MJH: Were you ever involved in the [Oklahoma] Community Bankers Association?

JM: Never was. Never was. I was always a member of the OBA. You know, they've got a great group involved in the community bankers. They do a great job. Jack Conn was a chairman of it for two years, two terms.

MJH: I understand that group split from the OBA over the issue of branch banking.

JM: That's right. And then when they got branch banking, and it became popular, nobody thought they would survive, and they have! As far as I know, the groups get along fine together. No problem whatsoever.

MJH: I think there's a lot of cross-fertilization among the boards.

JM: Oh yeah! I don't know about that. I never hear anybody griping, because I don't stay around people that gripe. You can pick and choose who you want to be around. My mama told me to never be around a hot-headed person. It will get you in trouble every time. People that talk about everybody else—I stay away from them too, because they're going to talk about you next!

MJH: Good point. Can you think about anything else from your personal history in banking? Are there any other Masseys set to take over?

JM: My son is CEO of the bank. Greg Massey. He's the CEO of the bank. He's a very outstanding young banker. He's forty-seven years old. He does a good job. He's been the CEO for about eight years now, since I was 67, and now I'm 75. He does a very good job.

MJH: Maybe, if I can get a copy of...

JM: Would you like to meet Greg?

*Pause while JM brought his son into his office...*

*Small talk, hard to hear... Wife from Tulsa...familiar with Holland Hall...JM mentioned that he was a regent for higher education for twenty years...*

End