



Oklahoma Bank and Commerce History Project

a program of the Oklahoma Historical Society

**Interview with Betty Rodgers-Johnson, MidFirst Bank
Frontier Families (Launched 1/12/09)
Rodgers-Johnson home, OKC, 2/13/09
Interviewer: Michael J. Hightower
Audio taped interview, not *verbatim***

SIDE A

MJH: When was Midland Mortgage established?

BRJ: 1950. I think they had 4 employees, something like that. Mr. Ross had T. J. Bettes...sold to T. J. Bettes. Mr. Ross had a mortgage company in Shawnee, along with a bank and an insurance agency. He sold the mortgage company to T. J. Bettes and had to sign a "non-compete." So for the longest time...he could not publically be involved in a mortgage company. So in the first year that he was able to be involved, he bought a half-interest—which is I think the only thing he ever had a half interest in, he nor George would ever have something they didn't have controlling interest in—Harry Mortgage. Actually, it was Midland Mortgage. The Harry Brothers, a father and son, ran it.

The difference in philosophy was, Mr. Ross wanted to grow the company, and they wanted to take all the earnings out, pay themselves a salary. They didn't want to be big—that was their choice.

So then George graduated from college...George came back. Mr. Ross had been developing and building, with another builder, in south OKC. He apparently either had a line on, or had acquired some land, west of OKC, and he allowed George to take that over. He was the one who developed it and got the builders for it. It was just natural for the mortgage company to make the mortgages on those houses.

So then George got involved in the mortgage company. He came to work for the mortgage company. All the jobs were pretty much covered, so he started collecting, calling people who didn't make their house payments.

"He would do things that you can't do now. He would call them up and say, 'You know you need to make your house payment before you go out and get drunk Saturday night,' or 'Don't go to the liquor store before you make your house payment.' Of course, he was destined for better things."

One of the things was my office. I was the only woman who had a private office...Mr. Ross started bugging the Harrys to give George my office. That went on, and they moved

kind of slow. Finally he did get my office. I had to move into a kind of bullpen with two other girls, which didn't bother me a lot.

“By that time I had started working probably more for Mr. Ross, because everybody else in the office was afraid of him. He was a scary man; he was abrupt. He was a great man, kind and all, but he was abrupt and it just scared them. He would try to give somebody something to do, and they'd break into tears.”

MJH: Interesting that everyone called him “Mr. Ross.”

BRJ: Yes, and called his wife “Miz. J.”

I started working for him because I wasn't scared of him. It just evolved. George got involved in more and more aspects of the company. They knew that their philosophy of running the company was different from the Harrys, so they entered into a buy-sell with the Harrys and prevailed.

MJH: When was that?

BRJ: 1963. George's [29th] birthday, September 10, 1963. They wanted to say they bought the company for his birthday.

MJH: That's great...

BRJ: *Laughter.* I don't know whether it was or not. That was in September, and by April or May, he had lost about 22 pounds and I had lost about 18 or something from getting serious, serious jobs. I mean, we worked really, really hard. Once again, I had a private office and I had to give it up and out to the very front desk. I knew everybody who came in, and Mr. Ross felt like—he was a really smart man—he felt like it would be a comfort for people, when they came in, to see somebody they had known for a long time. So once again, I was sitting out at the front desk.

It's all here, from then on, about how the company grew. I think at that time, Midland had about \$9 to \$11 million in servicing, and it was almost all small houses, and it was all Fannie Mae and Ginnie Mae and whatever. And then it just started growing.

MJH: What was the difference b/w Midland Mortgage and a bank?

BRJ: The builders had a relationship w/ the mortgage company. When you went to buy a house, you talked to the builder...A builder would build a block of houses, or 3 of them would build an addition. The builder had the relationship with the mortgage company. They would send you to the mortgage company. Even though I worked for a mortgage company, when I moved to OKC and bought my house, I think I got my loan with Local Federal or something, b/c that's who the builder was associated with.

MJH: Did you compete head-to-head w/, say, First National Bank?

BRJ: They didn't make mortgages... Well, they made mortgages. I've learned since that they didn't make hardly any mortgages in OKC. My husband is from Seminole, and of course when he bought his house he went to the bank, b/c there's no mortgage company there. But in OKC, there were some investment companies... that made mortgages, but that's the way they were made back then.

MJH: Do you know anything about building and loan companies?

BRJ: Yes, they were like the savings and loans now. I didn't pay a lot of attention to any of that back then. I was so involved in what I was doing. I just know it was the builders who brought in business.

MJH: How long were you in the Hightower Building?

BRJ: 1950 until 1963. In 1962, they bought the Kerr McGee Building. Mr. McGee was on the top floor—the floor that had all the windows, dynamite offices. They bought the building and named it the Midland Center. We moved the mortgage company over there, and we took all—maybe 4 or 5 floors.

MJH: How about the Hightower Building?

BRJ: At the time we moved, we had, I think, 3 floors—second floor, where George and I were, and the third and fourth. I'm not absolutely sure... Our office was on the north side. John Bennett would come out from the Cellar in the afternoon with the leftover mouse. We'd either go down and get it or he would haul it up to us.

Digression about John Bennett

MJH: Tell me the story about when the New Yorkers came down.

BRJ: That was in 1959. They decided to form a real estate investment trust. Midland Mortgage advisors would be the advisors. It would be a cash cow for us. We'd collect fees for advising the real estate investment trust. We knew we had to have a national board...

MJH: That's when you went on the New York Stock Exchange?

BRJ: First, we went on the American Stock Exchange. That's the only thing we could qualify for. A few years later, maybe it was 1963, 1962 or 1963, that we went on the New York Stock Exchange. We had a couple of investment bankers on the board. We had Mike Monroney, Dr. Cross, Mr. Ross, and George. They had to come down and do due diligence and all kinds of things before they would underwrite—that's what the investment banker did.

“They made several visits. I think the initial board meeting was when your Dad [Frank Hightower] decided that we would really show them that Oklahomans were OK.”

By that time, we had totally remodeled the second floor. We made our offices much nicer, much more receptive. Maybe the board met in [Frank's] conference room [on the second floor]. I don't believe at that time that we had a nice conference room.

Then we bought the Midland Center. I think they did it because they felt like we should own our own building, because we'd become such a big tenant [at the Hightower Building]. That building was across the street from Leadership Square. We stayed there until we moved in 1990. We bought the building on the Broadway Extension...I remember, I spent about a year there before we moved in, knocking out walls and overseeing the construction and furnishing of those offices.

MJH: Those are beautiful offices.

BRJ: And of course the one next to it was mine.

MJH: It was a long walk to get back to George's office.

BRJ: That was by design, and it worked out great.

MJH: When did you leave the company?

BRJ: 2005.

I started in 1954, so I was there for over 50 years...I just happened to notice the memo where George told everybody I was retiring.

Have you been through the Northwest Bank?

MJH: No.

BRJ: In 1965...Northwest Bank is now a branch. It was the only bank we had. In 1965, we acquired that bank, and it operated as a separate entity for the longest time.

MJH: So Midland Mortgage bought Northwest Bank in 1965.

BRJ: The real estate investment trust fell on hard times. That's when we had all the see-throughs down in Florida, and all the properties that wouldn't sell—similar to what's going on today. At any rate, George turned the trust over to Frank Olney, who was the managing trustee—he had been made the managing trustee earlier. I remember [George] calling me up in 1976 from California to say that he and I were going to go back in the mortgage business.

Two brokers in California were producing more loans than they could either sell or fund. We signed an exclusive with them to do all their loans. Before long they were producing more loans than we could sell or fund. Those two guys are still around, and you'd really enjoy visiting with them, especially one who is still a dear friend of ours. They credit

George with giving them their start. They wound up with their own mortgage company. George cut them loose from their exclusive and allowed them to go on and grow and become a big company.

We had a branch office [in California], and I suspect...we had branch offices in many places, and I suspect that our branch office put us on to the fact that they were getting all the loans.

We started building our portfolio and our servicing, and it really grew. Where you see these [lists of] one hundred largest banks...[referenced document from 1974]...and from there it goes straight to the top.

This went on through the sixties. We had lots of branch offices. We had not learned yet that it was cheaper to buy servicing than it was to produce it. And everybody was producing then.

In 1980, George decided that a bank made so much sense. We had millions of dollars in escrow. The mortgage company had all that escrow money, so what were they going to do with it? They were going to put it in the bank.

MJH: Right – Why not put it in your own bank. Describe “servicing loans.”

BRJ: It’s collecting the payments, and then paying the hazard insurance, paying the taxes, and making sure the loan is in good standing for the investor. We were selling loans to savings and loans on the East Coast, we were selling loans to all kinds of people who couldn’t produce their own. I’m talking about people who didn’t have the branch offices, didn’t have the solicitors, didn’t have the help or knowledge to produce their own loans. So we were selling to them.

We did that for years. And of course we sold to Fannie Mae. Everybody sold to Fannie Mae.

MJH: When did Fannie Mae become such a big player?

BRJ: I don’t know...I can remember when the interest rate would change, it would be such a big deal. A half a point or a quarter point, or whatever. It was a much bigger deal than when the Fed changes the rate now.

MJH: Tell me about founding of MidFirst Bank.

BRJ: George had a concept in 1979 or so...

“You have to understand the culture in Oklahoma. The rural banks did not want any new charters issued. They didn’t want to dilute their pool. It was very hard to get a new charter issued. It became obvious to George that it would be better, more expedient, and certainly time wise better to just buy a charter.”

So we went over in eastern Oklahoma and bought a charter—Adair County Savings and Loan, in Stillwell. We had to fly into Siloam Springs, AR. “We did drive a few times, but that was just nerve-wracking, to go over there for a board meeting.”

MJH: Why did you pick that bank?

BRJ: Because it was for sale...

“Stillwell, Oklahoma. Oh, those days, that was so wild! We had to go over there once a month. We had to have the board meeting where the bank charter was located, and we had to operate that bank over there. We had to go over there once a month for a board meeting, and there was no place to eat—the Circle K, and it was a dull place to eat, and it was a dry county. We actually ate at a church dinner one time, and we were so excited, because we finally had some place good to eat! One of the guys there was telling me that he had married a woman from Oklahoma City and they had moved to Stillwell. She divorced him and said that having to live in Stillwell was something to get divorced over.”

We got permission and moved that bank to Oklahoma City and formed a bank holding company. The bank holding company is actually what I worked for from 1982 or so on.

MJH: How does Weleetka fit into the picture?

BRJ: Weleetka is where Mr. Ross had, I think, his very first bank. Maybe his family was from there. Weleetka is very close to Shawnee, and I believe (I don't know if Nancy knows about this or not) on I-40...

Digression to finding Weleetka on map

Mr. Ross was from Weleetka, and somehow he wound up in Shawnee, and that must have been where he met Miz J. Her name was Pratt in Shawnee, and her family had Pratt Shoe Store...He sold the mortgage servicing, and he kept the insurance agency, and moved the insurance agency to Oklahoma City. That was in 1950.

MJH: I can always look in [newspapers].

BRJ: But what you will find is that they were such a private family, and there won't be much there. In fact, *The Daily Oklahoman* has instructions...it's extremely rare to have a photo. I don't even know of one, ever, of George.

He wasn't like Howard Hughes, or anything like that...I went to an FBI meeting at Dean McGee, and I went to the meeting and got instructions for terrorism, kidnap and ransom. That was another reason for the privacy: He didn't want...It was in 1964 – 65. This was about the time of the Getty's grandson's kidnapping...

Digression to Billy Hightower extortion in 1930s

In 1981, we formed the bank holding company, which was Midland Financial. It is in these spreadsheets. Suddenly, you'll see Midland Financial appear. The directors and the officers and the ownership...

The mortgage company continued to make loans, and we were doing it through branches, and we were allowing... This is my take on this...

I was asked to turn off recorder

MJH: Why was the company so successful?

BRJ: "It has to be the leadership. I think everyone else had the same attitude I did: they wanted it to be successful because they admired George. He was such a good leader. It was so obvious how intelligent he was. If we paid attention to what he was telling us about how to do things, and his vision for the company, and tried to do those things, it was going to grow."

I tried, as best I could, instill in people, that if the company did well, you were going to do well, and progress and make more money. People who were on the ground floor became supervisors, and they could see that. What I think I was partially responsible for, he had a lot of women who were in responsible positions. They were making decisions, but they didn't have the title, nor the salary, to go with their responsibility. At some point, I made George realize that. It broke things open. A lot of people wanted to do well.

MJH: So it's safe to say that George empowered people through his leadership?

BRJ: Oh, sure. I took on responsibility that I didn't know how I was going to discharge.

"One of the things he told me when he took over the company—I was working for the president, who was B. M. Harry—and when he took it over, then I started working for him [George], and he said, 'You are going to get in more trouble with me for not making a decision than for making a wrong decision.' He couldn't have said that to a better person. I just took that and ran with it."

MJH: What do you attribute that to?

BRJ: [George] admired Mr. Ross. He and Mr. Ross discussed just about everything. Even in later years, I would say to George, "Gee, I wish I knew what Mr. Ross would think about this situation, or this world situation, or the situation right here in our office, or whatever." I was so happy that I was able to know Mr. Ross, and work for him.

MJH: How long was Mr. Ross with the company?

BRJ: From 1954...he died in 1976. He was active up until 1973.

“[Even when he was less active], he could walk in, pick up a loan file, go through it, and see things in ten minutes that nobody else had seen in studying it in days. He just had that knack, and I think George did too.”

George and I used to wonder how he could sit down and look at a sheet, and if there was a mistake on that sheet, Mr. Ross’ eyes would go right to where that mistake was. George was the same way. He used to go over the financial statements, and people were amazed, when they got so big and so complicated, when George would go through them, and if there was anything askew, he would immediately hone in on it.

MJH: It sounds too like he surrounded himself with people who weren’t afraid to make decisions. He had to have faith in his people.

BRJ: Yes, he had to, but we went through some weird people, getting teams put together. Jeff has a team of people that he has at the bank now—I think they’re the best in the nation. He has a team of people that are just outstanding.

Jeff is President and CEO of the holding company. I assume George is still Chairman of the Board.

Digression into Betty’s admiration for management team

When George and I were running the company, I don’t think we had as strong a management team as Jeff has now.

We figured out one time, George and I went 11 years without ever taking a sick day. He took vacation... “We were there every single day, sometimes Saturday and sometimes Sunday. We went through some bad presidents of the mortgage company...we went through some bad chief financial officers...I can’t say we had the team that Jeff has. I just think that the bank is going to be highly successful for a long time, simply because they have a great team.”

Digression into branches in Phoenix area

The mortgage company doesn’t loan directly to people to go out and buy a house. Too labor-intensive. Not enough reward for time and trouble. They go out and buy a billion or two billion at a time, and bring it in and service it.

At the bank...I was not nearly as involved on the bank side as I was on the mortgage side, and the holding company. At one time, I think there were 16 entities.

Digression into branches in other states, various structures

MJH: What is unique about Oklahoma that has enabled Midland Mortgage / MidFirst Bank to grow?

BRJ: “It seemed like, when the business slowed down one place, we’d go another. When it would slow down in Oklahoma, we’d make loans somewhere else, or buy servicing.”

MJH: Did savings and loan debacle of 1980s hurt Midland Mortgage?

BRJ: “Not really. We always had collateral for our loans. They were underwritten by pretty good underwriters. There’s a great store of value in real estate. People are so nervous about Chesapeake, and I say, well, at least he’s got some real estate.”

*Digression to poor lending decisions in
savings and loans in 1980s that are repeated today*

Winding down...

End