



Oklahoma Bank and Commerce History Project

a program of the Oklahoma Historical Society

Interview with Charles McCall
Ameristate Bank of Atoka
Atoka, OK, 10/25/2011
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Audio taped and transcribed by MJH

MJH: It is Tuesday, October 25, 2011, and I am with Charles McCall at Ameristate Bank in Atoka, Oklahoma, to visit with him about his family's history in the banking business in Atoka County. Thank you so much. Maybe you can just pick your story that you were talking about a couple of minutes ago.

CM: My father, C.A. Barney McCall, moved to Atoka in April 3, 1933. He married my mother my mother in 1935—September—and I was born here and raised here. And he bought the bank in 1967. That happened to be the year that I graduated from Southeastern State College in Durant. That's where I met John Massey. You talked about John Massey, and that's where John and I met. He's just a really special individual. I have lots of fond memories of John Massey. He's such a nice person.

So I graduated from Southeastern, and moved here. I met a girl from Oklahoma City down at Southeastern. We married and made our home here, and have two sons who both graduated from the University of Oklahoma, and both of them came to work here after they graduated from OU.

MJH: What are their names?

CM: Charles and Clay McCall. They are actually doing the lion's share of the day-to-day management of the bank. When my father bought the bank in 1967, we had about \$7 million in deposited funds here then. Now the bank has about \$200 million in deposited dollars here. So we have had outstanding growth through the years.

MJH: What do you attribute that growth to? What's special about this economy? What markets do you rely on for lending?

CM: Traditionally, Atoka County has been in the agriculture business. However, it's made a slow transition, mostly still cattle. There used to be cotton and peanuts years ago, but there's not much of that activity left. It's primarily beef cattle. We have had dairy operations in the past. We have had Mungle's (sp?) dairy. There was an outstanding dairy for years and years. Mr. Mungle and Mr. E.K. Gaylord had had a dairy in Oklahoma City. They had the same type of cattle, and were very good friends, and raised Guernsey cattle. I think the best milk I ever

tasted was right here in Atoka. Unfortunately, they were just legislated right out of business, because the Food and Drug Administration... They would deliver to local grocery stores, and eventually had to get out of the market because of the FDA.

MJH: The partner's name was...?

CM: This fellow's name was Gene Mungle. It was Mungle's dairy farm. That was a family operation. Paul Mungle was the original founder of the dairy. I couldn't tell you... They had been here all my life, and of course, they have since gone out of business, about, I guess, about twenty years ago. Mr. Mungle died, and his two sons—there wasn't anybody to continue the business, so they moved on.

Through the years, it's all beef cattle now. We have some industry here, several industries.

MJH: What are some of the industries?

CM: Well, one of the main industries, surprisingly enough, are correctional institutions in the county. We have Mac Alford, which is Stringtown's (a small community here in Atoka that's about seven miles north of here), and Mac Alford is probably—a correctional institution—is probably about four or five miles north of Stringtown, right up the main highway, on 69, on up toward McAlester. And then we have McCloud, a correctional institution, which is a minimum penal institution, that's between Atoka and Antlers, in Atoka County. That's minimum. It's medium up in Stringtown. We had Ethan Allen, which recently left us, but for many years we had Ethan Allen Furniture. And in Coalgate—a town that's close to here, it's thirteen miles from here—and it had a Wrangler jeans company. It really employed more people in Atoka County than it did in Coal County. Recently, those people have moved overseas to make their goods, and that's a shame, but that's the situation they were in.

Atoka hasn't had a lot of growth, but we have not declined in population over the years. We have maintained a small growth, but we have had some new industry that has stepped in. We've got a new organization called OMR, that has moved in here. They make a product that's used in aluminum products, and it's in powder form, made from by-products of the oil industry. They go to these refineries, and what's left after they manufacture gasoline and diesel, there's a by-product there, and they'll buy that product and heat it at extreme high temperatures, and then when it cools off, it turns into a powder, and there's no—there residues and steam that comes out of it—but there's... These people have stepped in here with a fine organization, and we're hoping they can bring in some additional...

MJH: You graduated from OU in '67...

CM: No, I graduated from Southeastern in '67. My two sons graduated from OU, and they came back here and went to work in '93 and '95. I came to work here in '67, after I graduated from Southeastern.

MJH: Describe banking then—what the economy was like back then, what the banking industry was like then, maybe your competition, that kind of thing. What did you experience after you graduated from Southeastern?

CM: Well, in 1967, the economy was primarily agricultural back then. Of course, the city of Atoka has always been the county seat. We have the courthouse, which is across the street. But the businesses that we had here then: we had three automobile dealerships then—we had Chevrolet and Buick, and we had Ford Mercury, and we had the Pontiac dealership; and then we had International Harvester tractor and implement company then. Through the years, we have kind of graduated to this highway being a major industry for our community. 69 and 75—you can go to small towns that have lost the highway. Coalgate, you know, is a good example. Tupelo...A lot of these little old communities that have lost the highway, a lot of them have really been hurt. That highway itself is a major industry for us.

MJH: I guess in terms of hotels...What other kinds of things are clustered around the highways?

CM: We used to have a lot of stations that had quick stops. The Choctaw Nation has put in two travel plazas here in Atoka, and that has kind of taken over the main trade in that type of industry. But we still have a Ford dealership south of town that's got a brand new facility. We had a Chevrolet [dealership], and that was one of the few Chevrolet dealerships that was pulled. And the one in Durant lost theirs, and the one in Atoka lost their Chevrolet dealership. So really now, we only have one automobile dealership in town, and that's Ford. Erick Studeville (sp?) is the owner-operator of the Ford dealership here in Atoka.

So those are some of the things we have had. We have had furniture stores here, where people could buy furniture, and those things have kind of gone by the wayside through the years. Sheffield Furniture, Star Hardware, Henson Supply...Now, Henson is still in operation, but they have mostly gone out of the furniture business. They sell propane gas, and have different types of parts that you can buy for automobiles or chainsaws. They have lawn mowers, primarily, refrigerators, washing machines, freezers, things like that. That's kind of their primary kind of thing that they deal with.

MJH: In terms of the highway—Is that the old town here? It seems like a lot of these downtown districts...It seems like it's not too inhabited these days?

CM: It has been completely full. Now we have lost some...Well, let me back up. For awhile, we had lots of empty buildings here. And then, at one point in time, in about '07, every building on Court Street was full. Then, we started having a slowdown, so now we have some empty buildings. The economy slowdown, Michael, has really been hard on our customers. When we're not very busy, our customers are not busy. When they're doing a lot of business, we can tell, because they're in here making deposits regularly. And even though the total dollars of deposits that we have here in the bank have risen for thirty years, and still continues to rise, the economy has been very slow since '09, '10, all these years, very slow. We were hoping for some kind of pick up. It's hard to decide, and figure out exactly why. I think Atoka County has a kind of conservative group of people,

For the first time that I can recall, it voted Republican in the presidential election for the first time. We have always been kind of a Democratic stronghold, but people are kind of leaning to the Republicans, because they're conservative here. That's not meant to be a political statement at all. That's just the way that this particular county has been. I think, because of the slowdown in the economy, people are very cognizant of how to spend their money.

I think things have loosened up over the last, I'd say, twelve to fifteen months, but still, the oil and gas industry has been really good to Atoka County in years past. They have not been here in the last six years. In the early 2000s they came here, and spent a lot of money on leasing properties and did some drilling, and were successful, with this horizontal drilling. We've found gas here more than oil.

MJH: Have you financed some of those ventures?

CM: No. No, we have not. We haven't been asked to, and of course, so many banks had troubles in the early eighties. We probably would have respectfully declined, had we...It's been large operators that have come in here, like Chesapeake, and Devon, and (I'm trying to think of one or two of the others-I just can't remember right now, I can think of them later...). But they have been big operators. We haven't had anybody that wanted to finance all that.

They've spent a lot of money here! They spent a lot of money here on leasing minerals.

MJH: Do you have a lot of depositors who earn royalties, that kind of thing?

CM: Yes. Of course. That's gone away now, but those are some of the things that have helped the county out over the years.

MJH: I want to go back a little bit and hear about your dad. I have heard nothing but great stories—I have heard that he is somebody I should have met.

CM: Yeah. He was really a special person, and a great father. He was a really special guy.

MJH: He moved here and bought the bank in 1930...

CM: He came to work here, at the bank, in 1933. And he went to work for a fellow by the name of Grain (sp?). I can't remember his first name. But he and my grandfather were friends. And so my dad went to work for a banker from the First State Bank of Tishomingo in 1932. He graduated from college—it's OSU now, but Dad always referred to it as Oklahoma A&M. He came back home. The president of the bank was involved in an automobile accident, and broke his arm. And so my dad was his secretary for him, for about eight months. And Mr. Green happened to talk to my grandfather, and found out that—he needed to hire someone—found out that my dad's job was coming to an end, so he offered him a position over here at the Atoka State Bank. And so he came to work over here in April of 1933. April 3rd. He told me that he was given \$55.00 every two

weeks—was his paycheck. He said the first paycheck he got was \$65.00, and he went back to him and told him he'd made a mistake, and he said, "No, Barney, you're better than we thought you'd be, so we're paying you a little bit extra."

Dad came up through the ranks, went through the Depression. He served in the Navy in World War II. He was a National Guard company commander here in Atoka, after World War II, for three years. He worked for the DAV (sp?) and the veterans. He helped so many people. The Veterans Administration had a program to help veterans finance homes after the war, and my dad got involved in that program and helped a lot of people—with the veterans, to get homes.

MJH: By then, I guess he had moved up from \$55.00 every two weeks. Did he ever own the bank, or was he president of it at some point?

CM: Before he owned the bank? Yes, he was. He was president of the bank. I'd have to go back and see what year he became president of the bank. But he was, before he purchased the bank. Mr. Stevens, who bought the bank years ago from a fellow by the name of Hale, I believe, was his name...My father had very nice things to say about Mr. Stevens, and worked for him for years. He was kind of like a father to my dad. He gave him an opportunity to buy the bank in '67. He had sons of his own, but...Sam Stevens passed away recently, and they were a family bank for a long time. They recently sold their bank, about five years ago, to Shamrock out of Coalgate.

My dad bought the bank in '67, and he stayed here and worked here. Up to the last six months before he died, he was always here. He was kind of the Wal-Mart greeter. Even though he got out of lending, he was the board chairman for many years, after he got out of lending. He knew so many people in Atoka, and he always enjoyed visiting with people. And people would just come in and see him, talk to him.

MJH: What did they call him? Did they call him Mr. McCall?

CM: They called him "Barney."

MJH: Okay, he was Barney.

CM: His nickname was Barney. His name was Charles A., but everyone called him C.A. McCall, but Barney was his nickname, so most people called him C.A. "Barney" McCall.

MJH: I wonder how you get Barney out of that?

Laughter...

CM: Our family ties are Irish, and Barney is an Irish name. When he was born, someone over in Tishomingo fondly called him Barney, and it stuck with him. So everybody just called him Barney.

MJH: That's a great story. He died in...

CM: My dad died in November of '02. He spent sixty-seven years in the bank. And he was here practically every day until the last six months that he lived. He got arthritis in his knees. His mind was always great the whole time, and he fell, broke a collar bone, got pneumonia...He was almost ninety-four when he died. Lacked about three weeks of making it to his ninety-fourth birthday.

He spent thirty-eight years on the Atoka School Board. He was...my father.

MJH: Do you have any stories from the Depression era that he might have handed on to you.

CM: No, I don't. I remember some stories that he told me about World War II. He could always type really well, and he told me that they needed a company ____, and that was kind of somebody that was kind of in charge of all the details. They asked people to sit down, and the company commander told them to type something. And they said, "Well, what?" And he said, "I don't know. Just type anything." And they didn't know what to type. And Dad told me, "I remembered, when we were in high school, we would always type, 'Now is the time for all good men to come to the aid of their party'." And he said, "I thought about that, and I could really bang that out!" And he said, "I just started typing that out as fast as I could, and the company commander said, 'I'll take you'." He could type just about as fast as most people could write. He was a very good typist.

I don't remember a lot of things about the Depression, other than that it was awful tough, and a lot of loans back in those days on crops—and not a lot, I've seen some old loans that were \$150.00 or \$55.00, and they took crops for collateral. Things were pretty tough. But he didn't mention a whole lot about it.

MJH: Through those years, it was Atoka State Bank?

CM: Yes.

MJH: When did it become Ameristate Bank?

CM: 2001. We branched out to Antlers. It's just thirty miles, and we had a lot of people that we did business with in Antlers. And so we decided to put a little branch over there. One of our customers that came here to Atoka and banked with us—his name was Lem Shaw (sp?), and he was the auctioneer down at the local sale barn here for years and years. He called me up over here and he said, "Word is over here that you guys are coming to Antlers to bank, and put in a branch bank over here."

And I said, "Yes sir, that's right, Mr. Shaw."

And he said, "I'll tell you right now, if it's going to be Atoka State Bank, you're not going to do very well in Antlers, calling it Atoka State Bank in Antlers." Our high schools play each other in sports, and there's a lot of rivalry between Antlers and Atoka

in football, and basketball, and baseball. And he said, “I want you to come to Antlers, but you’re going to have to change your name. I don’t think you need to try to open up a bank over here with the name of Atoka State Bank.”

So we talked it over, and my father was here at the time, and he agreed that we didn’t want to drop the name, but we did. We changed the name from Atoka State Bank to Ameristate Bank. We did that in May of 2001. That’s why. Banking is always changing and evolving, and... You may have to double check this, but around ’96 or ’97, state banking laws changed and allowed for branch banking. And so, we kind of recognized that we were going to have to... Banking was changing, and we were going to offer services in communities that were close by to Atoka. We felt like that was the time to change the name, and we did so in May of 2001.

CM was way off in dates when banking laws were changed to allow branching...

MJH: Branching to Antlers...you established a branch there? It wasn’t like buying a bank...

CM: No, it was a free-standing branch. Mainly, it was in-house. Data processing costs, and things like that, were much more competitive if we had an umbrella, with this bank being the central location. Everything was... Phone lines were over the air. It has really evolved in the last ten years. It’s mind-boggling, how fast banking has changed since I started in ’67. In just the last ten years... Who would have thought that the microchip would evolve to what it is today?

MJH: Would you say, then, that technology has been the biggest change?

CM: Absolutely.

MJH: Has that helped you in some ways?

CM: Big help. Big help. Big help. Of course, the federal government has the same problem, but just the accountability of the checks that people write, all over the United States, to pay bills, as our country has gotten larger, with more population, more people write checks, and we are evolving to a checkless society. At some point in time—who knows when that’s going to be?—but at some point in time, I foresee one card, it’s going to be a debit card or a credit card, you decide what it’s going to be, and you can take money immediately out of your checking account; you can use these new cell phones right now to make loan payments and transfer money from checking to savings, and vice versa; you can... we have online banking, you can bank at home and not come in here. It’s really... Technology is just fabulous.

MJH: What effect, would you say, it has had on your relationship with your customers?

CM: I think it has enhanced our relationship with customers. I think the one downside is, for us, we don’t get that wonderful opportunity to see that person coming into your bank. It has evolved to people going through the drive-in. They don’t come inside anymore. They

can go through the drive-in, and they'd rather sit out in the car than come in here. Same way in Oklahoma City and anywhere you go. You see cars backed up, and they don't come inside anymore. I miss that—just the opportunity to see the people I have known all my life, come through here and transact business. I don't get to say, "Hello, how are you doing, and how's your family?" anymore. But as far as a service to your customers [is concerned], I think it's the greatest. They can actually bank at home. It's hard for people my age to get computer literate. But you can pull up your account. My kids, they grew up with it, and they can see every check they have paid on their account that day. They can manage their account better. They can print out their own statements. They can print out copies of their checks, right there at their home, they don't need to come in here. So it has just been a wonderful tool for customers to have.

Of course, the older generation can't...They have a hard time dealing with that. I have a few customers say, "No, I won't buy it. I want my social security check. I want to look at it, and I won't see it when it comes in. And they don't use a computer.

Unfortunately, they're getting to the age when many of them pass away. As time goes by...It's been a very great tool for banking.

MJH: What do you suppose your dad would have said about all the revolution in technology? He saw it coming on. Did you have conversations about it?

Laughter...

CM: Yes. It was just hard to fathom that someone could...The research and development of these new ideas, and this new technology, could actually be completed, could actually be a reality. I remember, about 1990—back then, we used to have data processing done by the old First National Bank. And my dates may be wrong here, Michael—1990, I'm not sure, the banking industry went through a great change in Oklahoma, starting in '82, and through '87, so many banks changed. And unfortunately, who would have ever thought that the First National Bank would go under? I would have never thought that. You know, that was just a bank that we all looked to. What's First National going to do? That's what we need to consider doing, whatever First National did. There were other big banks like that too. The old Liberty Bank was one of them, in Oklahoma City. Our main correspondent was the old Fidelity Bank up in Oklahoma City. Jack Conn, you know, he was an Ada resident, and my dad knew Jack Conn. He kind of took up under his wing and helped us.

There were always banking issues that we had to deal with. One of the things that small banks have to deal with is capital. The State Banking Department and the federal government, they want, for every million dollars worth of deposits that you have in your institution, the federal government wants you to have \$85,000 of your own personal money in your capital at your bank. So for every million dollars, you can use that benchmark, the federal government wants you to have \$85,000 of your money for every million dollars of customers' deposits that you have.

As our bank grew from \$7.5 to \$8 million to \$200 million, if you didn't make enough to put back the \$85,000 every year, then you had to figure out a way to either sell stock, or borrow the money and put it into your capital, and repay that debt. That's what we have fought to do all these years, to keep up with. And one the issues—and it's a good policy, I'm not complaining about the policy—but the issue is, you have to manage the deposits that you have in your institution.

Going back to my story: When we first went online with data processing, we used the First National Bank that had a separate company. I would have to go back and research and get the name of the... I don't know why I can't think of it right now—their data processing center that they used, had a name.

MJH: The First National Bancorp?

CM: It could have been. I'd have to go back and research that. And then ____ bought them out, eventually. Anyway, we went up to observe what their data processing center looked like, and I'm not kidding you, it was as big as our lobby, which is not very big, but still our lobby is about 85 feet long and probably 50 feet wide. That was full of computers that were this high! They were five feet high and this wide, and underneath them, they had to keep them cool, and they had refrigerants that ran underneath them. And they were the main data processor for small country banks all over the state of Oklahoma. And now you can do it with something that big! Or smaller. They can do the whole thing. That was the point I was going to make: How technology has evolved from what it was back then...

Of course, my dad saw that phase of data processing, and how much easier it was to print statements, to gather up checks, and to account for all of them, and to balance daily. Everybody, every check that came through the bank, every transaction that was made in the bank, every deposit, every withdrawal that came through everyone's account, every deposit and withdrawal that was made in the window at the drive-in bank: you accounted for that, and you balanced them every day. The technology has eliminated so much of that work. Small towns—I don't know that you could get enough people to keep up with it! No telling how many people we would have to have, if we accounted for people's checks and deposits and statements, the way we used to, when I first came to work here. So, it's been a marvelous thing from that standpoint.

MJH: Speaking of the First: Who did you work with most closely over there? Do you have any memories of Chuck Vose, or any of those folks?

CM: There was a gentleman over there by the name of Calvin Wooten (sp?). He's dead now. He worked at First National, and he was in the bond department. And then there was a gentleman who is still around by the name of Bill Stricker (sp?). Bill works in Oklahoma City, and he works for the Bank of Oklahoma. I get an email from him all the time, and Bill was, I guess, just a few years older than me. Bill is still around. Those are the people I remember, and worked most closely with at the First National Bank.

We had people over at the Fidelity Bank. Of course, Jack Conn—he was a personal friend. And a fellow by the name of Jim Timberlake. And Jim is deceased now. Bless his heart, he was not that old, but his kidneys quit working, and of course, for several years, went through the dialysis. Finally...

MJH: He was the main correspondent guy, wasn't he?

CM: Yes, he was. He was the main correspondent guy at Fidelity Bank. Quite a gentleman, very nice.

MJH: What comes to mind when you think of Jack Conn. Describe him—him, or your relationship with him.

CM: He was...I guess, he's another example of an incredibly, really nice individual. Jack Conn was well thought of. He was president of the American Bankers Association. He was also president of the Oklahoma Bankers Association. He was an attorney, and a member of the American Bar Association. He was just quite a gentleman. If you had questions...Most of our conversations with Mr. Conn was, "What do you perceive is going to happen to the economy in Oklahoma? What do you think is going to happen from a regulatory standpoint? What do you think is going to happen from the standpoint of the economy, and how will it affect banking in Oklahoma?" He would sit down and talk to you about the economy, and give you his take on what he thought was going to happen.

And so, we would always try to seek counsel from people in the banking business that, we felt, gave us good advice. There's a gentleman by the name of Marion Bauman. He still lives in Norman. My dad and I would talk to Mr. Bauman all the time about banking issues. The one-bank holding company act that took place in about 1975, '76 was really a life-saver for our bank, because that allowed banks that could qualify to be a one-bank holding company to actually borrow money. And we were really struggling to keep up with our capital—the deposit ratio. Back then, a bank—and still today, this bank—cannot itself, borrow money. But this bank is owned by the Atoka State Bancorporation, and the Bancorporation can borrow money, and can pledge its stock. It owns one hundred percent of the Ameristate Bank—at one time, Atoka State Bank—and it can pledge that stock, and go borrow money, without affecting the capital of the bank, and without affecting any of the depositors' money. So that's why the federal government allowed that to happen.

So we were able to borrow money and increase our capital in the bank, and keep up with our regulatory requirements. To the smaller banks, it was really a wonderful tool for us to be able to use. Marion Bauman became our number one person that we went to for advice, to help us, starting in about 1977. We became a one-bank holding company in 1977, and so any banking issue that we had, we went to Mr. Bauman. He's a marvelous individual, and a CPA, and had a Harvard law degree, and really, you won't find a nicer person than Marion Bauman. He's quite a gentleman. Lives in Norman, and offices there. Just a wonderful individual. That's one thing I can say—I know there have been people who have abused the privilege of banking, but the people I have been involved with

through the years have been just top quality people. The people we knew of, and the state banking commissioners that we have had through the years...Mick Thompson, right now, I think, of all the commissioners, I think he is the best state bank commissioner the state has ever had. I really think a lot of Mr. Thompson. He's just really been a great bank commissioner for the state.

MJH: Speaking of bank commissioners: Does the name J.D. Lankford mean anything to you?

CM: No sir.

MJH: He was from Atoka.

CM: Really!

MJH: He was the bank commissioner during World War I. I have read quite a bit about him and I found some of his correspondence, when he was corresponding with different bankers about all the troubles in the teens, like any other time. He was bound and determined to root out corruption, thievery, and fooling around. He was really interesting. Atoka went into mourning when he got hauled off to Oklahoma City, because he was so highly respected.

CM: That name is certainly a name that I have heard of for years in Atoka County, about that time.

MJH: He was actually in the teens. He came in shortly after Governor Haskell, 1911 to around 1919. He was described as a latter-day Cincinnatus—going off to do his duty for the state, sort of like marching off to war. But, I have read in various biographical sketches that he was from Atoka County.

CM: I was trying to remember: We had Wayne Osborne, who was a good commissioner; we had Mr. Empie—I can't remember Mr. Empie's first name...I really don't remember the very first banking commissioner...I can see the face of another one that we had. He was a banker from Muskogee...Leonard was his name. Mr. Leonard. He was a tough commissioner, but he was fair. All of them were fair. I can't think of anyone who wasn't. Of all the ones that we have had, I am most fond of Mick Thompson, because he is very fair and very thorough. We haven't had severe problems, but if we had them, he's the type of commissioner you can go to and say, "Hey, we've got a problem here, what do you think we can do?" And you would feel confident that he would help you in any way he could. He's been a good commissioner.

MJH: Speaking of severe problems, what were your experiences in the eighties after the Penn Square Bank fiasco?

CM: It was just a tragedy! Atoka County doesn't have hardly any oil, at all. We have gas here. This horizontal drilling has helped out tremendously for people finding gas in Atoka County. We were not involved in that, but it was certainly a black eye on banking,

because of Penn Square. We didn't know any of those people—did not have correspondent bank relationships with them, but certainly, I remember reading articles about things, and what a tragic event it turned out to be. I always wondered how you could put all your money on oil reserves. Geologists think there are so many barrels of oil that's underneath the ground, but I always question that. But really, we did not participate in any loans that the bank had made, so we didn't have any problems during that era, other than the fact that it certainly gave banking a black eye.

Just as the New York banks and investment banks have given us. You know, there's a difference between investment banks and commercial banks, like we are here—a small commercial bank. The news media and the government kind of have a tendency to throw us all in the same category, and we're really not. I think this is the greatest industry that there is—commercial banking. If I had a chance to do it all over again, I wouldn't want to change a thing. I really have enjoyed it. I think it's a great institution. You have an opportunity to help other people achieve their dreams and goals, and it's just been a great opportunity for me.

When you see things that happen in the industry like that, why, it's just painful to see those things happen, because there are so many good banks out there, and good bankers. You never hear about those guys, you know. What comes to the spotlight are the banks that get greedy, and get involved in pushing the envelope. You can kind of see these things happening, when you follow the housing market: Diotech.com, and Countrywide [Financial]. They would loan you 125% of what you needed to buy a home. You know that, at some point down the road, that's not going to work out! As long as the economy is doing well, then everything's fine. But if things go bad, they don't have an investment in that home, and they're going to turn it back, because if they can't make their payments, they have no choice.

It seems like there's a twenty-five to thirty year cycle. The economy slowly picks up... You just kind of feel things coming. But, this has been the roughest—since the last of, what was it, October or November of '08—this has been the roughest I've seen it, for the economy to go through. In Oklahoma, it was tough during the eighties, when so many banks collapsed in Oklahoma, in the oil field. But it was kind of isolated. It's everywhere now.

MJH: You have addressed this, but maybe you could expand on it a little bit: Do you identify yourself as being a community banker?

CM: Absolutely!

MJH: What does that mean to you?

CM: What does that mean to me? Well, to me a community banker is more a bank that is interested, and knows...interested in the well being of the individual customer, the individual people that he knows, that live and work in his community. People that he goes to church with, families that take their kids to school, and people they know in the chamber of commerce, and the Rotary Club, and the Lions Club.

The community, of course, is the key word there. There are different size communities. To me, a community banker is the banker that really knows his customer, and not just on the basis of a client, but really knows his customer. Knows he's a family man, knows he has children, may know their names—sees them in different functions in their community.

When you get to a metropolitan...I couldn't tell you what size community, but I see towns like McAlester, and Ada—those are larger towns, Durant—but they are community bankers there. They know their people—the people that they live with, and see every day, and have some form of relationship with. But somewhere, you know, you get a community the size of Moore, Norman, Edmond—I mean, when you start getting into larger communities, why, you know, it's kind of easier... You have more of a clientele basis, and you don't get to know those people, like smaller towns get an opportunity to.

That's what community banking is to me.

MJH: Have you been active in the [Oklahoma] Community Bankers Association, and the OBA? Have you been active in both of those?

CM: Yes, I have. Most of those community bankers, I guess, over the last twenty years. One of the things that kind of separated the two, and it's kind of worked itself out after a period of about twenty-five years: the Oklahoma Bankers Association, it was always the smaller banks did not want to see branch banking. And the branch banking was the main issue, and it kind of separated bankers that were in metropolitan areas—because they needed to branch, they needed to get in other locations, to take care of their customers—and small banks here, like Atoka and Durant, maybe, I know Coalgate, Antlers, and some of the smaller communities—Kingston comes to mind, Marietta, Pauls Valley—some of these smaller towns, I think they felt a fear of large banks moving into their communities and taking the better customers and better loans out of their portfolio. So that was an issue. Community banks tried to keep those franchises locally, and the Oklahoma Bankers Association, because the majority of their memberships were metropolitan banks, they represented the wishes of their members. And we—I have been here for forty-four years, and we've always been a member of the Oklahoma Bankers Association, and the community bankers [CBAO]. But we kind of tended to lean toward community bankers.

But, in 1993, Congress established a federal banking act, and they didn't have to—what the word I'm looking for?—they didn't have to comply with the same banking laws. So the OCC, which governs national banks, they said they would not allow national banks to branch, if Federal Reserve banks and state banks, if they couldn't branch. But in 1993, that all changed. And I'm not complaining about the banks. But MidFirst Bank in Oklahoma City was the first bank that I remember getting a national charter. There were no limitations on where they could branch. And they started branching in different locations in Oklahoma City. That kind of brought the issue to a head. And we finally—I think all the community bankers then, at that point in time, said it's really a non-issue anymore. We're going to have branch banking. We're going to have to allow it in. It's already here.

So it passed at the federal level. The metropolitan banks have to have the ability to branch out and compete, and so they kind of went along with the legislature and they passed the laws to branch. It was in the nineties. I don't remember the exact year—'95, '96, somewhere in there.

[Dates when banking laws were revised to allow branching and multi-bank holding companies need to be checked—much earlier than the nineties...]

MJH: I know that MidFirst actually started with an s&l in Stillwell.

CM: Is that right?

MJH: Yes, George Records went up there and found out that an s&l was for sale. The guys that he bought this chart from had started it in Stillwell for a half million dollars. George went up there and offered them a million. And they said, "Cool!" Who wouldn't? The day after, they doubled their money. So he got a charter. Then, he decided that he needed a bank, which was a very reasonable thing. He had been manufacturing money in the mortgage business, so he wanted his own bank to hold it. And that is actually where the whole thing started—a small country s&l.

Maybe a final question for you: What sort of opportunities and challenges do you see? You talked some about, comparing the current downturn with the eighties. You see some of the heavy compliance coming down from Washington...

CM: That's just a major issue. Of course, the Chris Dodd – Barney Frank bill is just so tough on banks in general. Washington tries to micro manage the banking industry, because there have been some abuses. But by and large, you know, I don't think there have been that many abuses. Some of the larger institutions have certainly abused the privilege. I think small commercial banks—we all go to our legislature, and we were opposed with doing away with Glass-Steagall. When they did away with Glass-Steagall, that was, in my opinion, one of the biggest mistakes that they have made. The separation of banking and commerce and insurance—they combined those. I remember when it happened, about '92, some of the New York City—I'm blaming everything on New York bankers!

Laughter...

They went to Washington and said, "The biggest bank in the United States is number fifteen in the world. And the reason we're number fifteen is Glass-Steagall. It keeps us from marketing securities; it keeps us from dealing in insurance products; so we need to do away with that." And they did. They convinced Congress to do away with that.

My personal opinion is, that was a mistake. And I think it just slowly led to things like AIG. AIG was too big to fail, and I think Congress acted responsibly by not letting AIG fail. I'm not for bailing out. If they want to loan a bank some money, and let them pay it back, with interest, that's a completely other matter. But there have been more than three hundred banks fail. RFDIC insurance premium has gone from \$30,000 a year to \$350,000 a

year, and we're paying to help pay for these banks that have gone belly up. No taxpayer dollars have ever been spent to bail out banks. The FDIC has done that. And the banks that are operating, our insurance premium has gone up drastically, and is a major operating expense for us. But I think that the government's job, on some institutions, to step in and loan them money, and help them out. But AIG, in my opinion, was just too big to fail. It's a big insurance company and is into everything.

Anyway, you asked what did I see in the future. I think that Congress has got to do a better job of regulating. The problem that I see is that the people that are making the laws, and the regulators themselves, have no practical banking experience. And they're sitting down up there, and they're making regulations that are laws to us, and they have no practical experience to know whether it works or not.

MJH: In terms of the future, are you optimistic?

CM: Yes, I am optimistic about it. There is going to be a need for community banks. Whether they are owned by other banks from other communities, there is going to be a need for people in communities to take care of their local customers, and help them with their businesses...

End of side A, turned tape to side B...

MJH: That's what you said earlier: You wouldn't change a thing.

CM: As far as my job goes, yes. If I had a chance to go back and be a doctor, no, knowing what I know now, I would do exactly what I'm doing. It's been a rewarding job. It's been good to my family, and to me. But the main thing is just that, the people that live here in this community, they have been good to us, because they have banked with us. They've been banking here, and borrowing money here. So I wouldn't change. It's been a great career for me!

MJH: I will it go with that!

End