Oklahoma Bank and Commerce History Project

a program of the Oklahoma Historical Society

Interview with W.R. Moon
Chickasha Bank and Trust Co., Bank of Velma
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Audio taped and transcribed by MJH

MJH: It is Monday, May 2, 2011, and I am with W.R. Moon in Chickasha, Oklahoma, and we are going to visit about the Citizens Bank of Velma and other adventures in Oklahoma banking this afternoon. Thanks so much for inviting me down here. You were beginning to talk a little bit about the Bank of Velma and your family's early involvement. If you could just give me a chronology, and I'll let you go.

WM: I'll do the best I can. My family and my uncle—and my uncle was John Phillip Reynolds, and my father was W.O. Moon, Jr.—they chartered the bank in Velma, originally, and constructed the building. Mr. Reynolds previously had worked at the bank in Walters, and he, along with his father, had owned that bank. My father had served on the board of directors of that bank, and so they were in the banking business prior to starting the bank in Velma. They were originally from Walters, Oklahoma. Subsequently, my mom and dad moved up here and operated a manufacturing plant, among other concerns. And so his interest was more as a partner, and as a chairman of the board, at Velma, when they chartered and founded that bank, approximately 1972, in that—along in there. John Reynolds was the president of the bank and oversaw the day-to-day operations at Velma. Velma is a very small community, and the bank was, and still is to this day, one of the smaller banks in the state. I think when I left a couple of years ago, it was at about $18 million in total assets, and that was grown from about $10 million in total assets under my tenure, while I was chairman. So we have been successful, but still, the economies of scale of running a free-standing, independent bank. Velma, being at $12 million or $18 million, has the same rules and regulators that a $200 million, $300 million, $400 million, $500 million bank would have, and that requires that you have auditors and that you have examiners and that all of those things that your information technology and all of that needs to be on a just smaller scale, but at the same, on the same software that you would run a $100 million or billion-dollar bank—it's the same software that it takes to run Velma.

MJH: When was this?

WM: I'm not really good with dates. I do know they sold the bank about two years ago, so that would make it about 2009. That's kind of a rough figure. It may have been a little later than that. And I was chairman, I think, for about ten years, prior to that, and I served on the board prior to that. The market in Velma is…I guess there's probably, maybe about a thousand people in the town, if you included a ten mile radius!

Laughter

So basically, it made more sense in the long run…And a couple of years ago, banks were selling at a premium. So the timing to get out, and they were approached by the First National Bank of Ardmore, and First National was particularly anxious to have a branch in that location, because they had branches in towns that were in close proximity to Velma. And they felt like that would be a way to begin to approach the Duncan market, which is a very good market. So they made the proverbial offer you couldn't refuse. And they didn't!

MJH: I'm curious: Why did your dad and your uncle, being from Walters—why Velma, of all the small communities?

WM: That's a great question. They kind of did their own survey, and as you leave Duncan and as you drive toward I-35, Velma is a nice community. They were from a small town, so they were comfortable with relocating in a small town. Walters is bigger than Velma, but not by much. And as they came to this community, there were no financial institutions once you left there and you got almost to I-35. And so you have to figure, hey, I can draw from people who are further east of Velma, in an extended community. So Velma was, I won't say underserved, it was just not served. There were no financial institutions in Velma. And Citizens Bank—or First National Bank of Ardmore branch—to this day, to my knowledge, still remains the only financial institution in the area. So it had kind of a captive market. Although there weren't a lot of people, you virtually had ninety-eight percent of the town would bank with you. And the two percent that didn't—you didn't want them!

Laughter

The bank was sold to the Butkin family, and Kenneth Raisin was actually the person who served—I guess as the chairman. I was no longer associated with the bank at that point, and I guess this was about twenty years ago when they bought it. Robert, who eventually—his family owned all of it—but initially when they bought it from them, Kenneth and Polly Raisin and Robert's son owned half and half of the bank. Bernice Butkin was the sister of Kenneth Raisin, and Bernice is of course the mother of Jane and Robert. And so Bernice served on the board, and her brother actually, I guess, is chairman. And my uncle stayed and ran it for awhile—Mr. Reynolds—and worked for them. And then he retired and Jimmt Stoffer (?) was the president for awhile. Eventually, though—and this was while Robert Butkin was—I believe he worked in a law firm in Washington, DC, he may have been in the Philippines as a fellow…Gosh, I'm not sure if it was…It's not Rockefeller, but, oh well—a fellowship that he got to go to the Philippines to actually research and write. It's a name that if I said it—Oxford or, I can't think of it, it slips my mind, but it's one of those where you hope you can go there.

MJH: Rhodes scholarship?

WM: Yes, something like that. And Robert is extremely intelligent. But at that time, he was not involved in the family business or the banking business. Subsequently he came back and became involved in his family business. He and Kenneth ____ the oil business, and then they both owned the bank together, his family and Dr. Raisin. Subsequently, while I was chairman, the Raisins were bought out, and the Butkin family virtually owned all of the bank.

MJH: That was about in…

WM: I'm going to say that was probably fifteen years ago. All of the time I was chairman, they were not owners.

MJH: As you think back on your chairmanship, you were involved well after, say, the Penn Square fiasco. Can you think of any particularly memories or series of events of that gigantic event in Oklahoma history?

WM: I was serving on the board at First Federal Savings and Loan here in Chickasha…when Penn Square was closed. First Federal had a home office here in Chickasha, I believe, originally, it was probably known as Chickasha Federal, or something like that. First Federal eventually grew to have nine branches and about $200 million in total assets. It was smaller prior to being shut down, but it was closed in the eighties—I'm going to say, '83 or '84, maybe it was '81 or '82. I'm just not that good with dates—Somewhere in there.

And the board was never sued. There were never any allegations of any kind of criminal misconduct or anything like that. It was an unfortunate situation, I think where the juggernaut had just…You know, you had the thrift supervising agencies that just kind of had this machine of closing down institutions. What they had done, they would come in, and if you had a portfolio of, say—that you valued at $100 million—and they would say, "Well, yeah, that's great, but we're going to make you mark that down to about $50 million." And then all of a sudden they would say, "Well, now that you only have this much in that portfolio, you're going to have to add some to capital."

Well, it was there! You just erased it! And so, unfortunately, they were closed; unfortunately, I was on the board at the time they were closed. But as far as the institution—RTC, that was it, the Resolution Trust Corporation—and they kept on. Tom ____ was the president at the time the institution was closed, and they kept Tom on, and all of the staff, to run it in kind of a shut down mode, so obviously they didn't have any heartburn about the people who were doing it. It was more a situation where circumstances rather than any misconduct…The economy back then was atrocious. We would literally have people come in and lay their keys on the desk and march out. They'd say, "I'm sorry. I can't make it." It was really sad. We would get those houses back, and clearly, at the time we loaned them $50,000, the appraisal was, you know, for $60 or $65 thousand, and we would loan about up to eighty percent. Then the oil bust came, and Penn Square was closed, and the values of those houses were reduced to like—fifty would be worth, maybe, twenty-five [thousand]. It's similar, although much, much worse, then, than today. Of course, Oklahoma has been pretty lucky about the housing bubble this time around. But it was not uncommon at all to come in, and the keys would be in the mailbox.

Now, I didn't work at First Federal. I never served in any other capacity other than a director. Of course, I would probably feel like it was shut down in error, but that would be my own personal opinion. It's one of those things where the regulatory environment was—they had shut down a lot of institutions that *needed* to be shut down. And they just had everything in place, they knew how…and kind of got the ball rolling, and we were kind of stuck down there. It was one of those things.

MJH: This is terrific, because I really have not gone out and worked on the s and l industry.

WR: Nobody wants to talk about it.

Laughter

MJH: That's what is so great. I have done some background reading on how that whole thing came down. Maybe you could explain a little further why, maybe, Oklahoma was more insulated from some of the really well known collapses. As I understand it, things have been engineered on Wall Street…

WM: Part of the reason we were insulated, we just weren't big players. We didn't have enough money to sit at the table, so you're insulated from the fiascos. And in terms of total assets, $200 million is nothing compared to, you know, a billion. It's kind of like the difference between Citizens Bank and another bank. You know, Citizens Bank only can make loans up to whatever their capital structure would allow, as governed by the regulators. So you didn't have Oklahoma institutions, for the most part, participating in exotic financial things like that. You didn't have, like…It's been so many years ago, but there was probably one instance I read of a Florida s and l, and they had taken stockholder money and bought a piece of art that was a million dollars, and it was hanging in the president's personal residence. I mean, that's a gross violation of the duty you owe to your stockholders.

Well, let's say First Federal *wanted* to do that. They didn't have a hundred million to go buy art!

Laughter

That's kind of how you stay protected. Oklahoma has never had the money that California, Florida or Texas have. So I think that the pail is part of the reason—not the angels of our better nature.

MJH: Do you think there are any other things about the financial industry around here that might account for that.

WM: There are probably other things, but as you go to these small town banks, they are usually—historically, now this is all changing, as you well know—there is consolidation going on right now that is unprecedented. And then you had ________ that preceded that, where banks were no longer required to actually…Let's say when you started a bank, you had to do a survey, you had to go out and talk to the people, you hired consultants, and you had to prove that there was a need for a new bank. And Chickasha Bank is a great example of…When they chartered that bank, and this was prior to my association with it, the local banks protested. There was litigation, they took it to the Supreme Court, they were saying, "We don't need another bank in Chickasha! That's ridiculous! This community is well served by the financial institutions that are here!"

Now, if you and I decided…Say we owned the bank, and we wanted to branch, then we would just open the branch. It's not really a requirement to do that. So, you'll have lots of branches and fewer community owned banks. Historically though, in Oklahoma, like…Chickasha Bank is owned by me and about ten other guys. Or maybe me and like, maybe five or six other guys own about eighty-five percent of it, and the rest is held in small…really, less than one percent. Me and about five other, six other guys own about eighty percent of it, or eighty-five percent.

First National Bank, which is downtown Chickasha, has—they have four or five branches, but they are probably ninety percent owned by the Brooks family. Pat Brooks would be another wonderful person to talk to about this, he's at the bank. They've owned that bank for, gosh, over fifty years. I'm fifty-five, and they've owned it all my life, I'm sure. But my point being—and Curtis was Pat's dad—and Curtis ran that bank every day for forty or fifty years. He was in there every day. He went to Kiwanis once a week. He knew everybody in town by their first name. Everybody in town knew him by his first name, or by Mr. Brooks. And likewise, Pat has run it now for the past fifteen years, probably, and everybody knows Pat. If I wanted to talk to Pat, I could pick the phone up, and call him, and he'd be the second person that answered the phone. I wouldn't have to go through a chain of fifteen…

So, my point being, the reason that you didn't have some of the bad things that happened in the financial industry as a whole is because these are guys you went to Church with. I mean, they didn't have million-dollar paintings in their homes. They were making a decent living serving the financial needs of a small, agriculture-based community. And that's like that in most of Oklahoma.

MJH: So a lot of the loans…There was still a lot of loans made with participating banks…

WR: Every institution kind of picks where they want to play. There are a lot of agricultural loans still being made, but it kind of depends on who you go to. In other words, let's say you go to IBC. Are you familiar with that? They're kind of a…I believe their home office is in Mexico. It's a rather large institution, but they are pretty well spread out. They have more stuff in Texas. They teamed up with a branch here when they bought Local Oklahoma. And so, that became an IBC branch. Now, IBC doesn't really need to make loans. They need to collect deposits. And the real reason they don't need to make money

–there is not the pressure to make money—is because IBC is, like I said, more of an international banking concern. And they can make one loan to, like, General Motors, or somebody who needs to borrow, $500 million. Okay, IBC can do that, and they don't need to loan $50,000 to Joe Farmer. They do need to collect the deposits, but they don't have this pressure to also make the loan. So I'm a farmer, and I go to IBC Bank, and I say, "I want to borrow some money and put in a wheat crop," they're probably going to look at me like, "Don't you know that there's other guys here to make the ag loans? We're not really…" Consequently, their underwriting for ag loans may not be—may be harder for a guy to get an ag loan from them. And I'm just using them as an example.

The same is true of, say, MidFirst. And MidFirst is here, in town, and they do loan money, but they don't have—they have other outlets to loan money to large, successful people who demonstrate an ability to repay a loan of that size. And so they're not worried about making ten two-hundred-thousand loans when they can go out and loan $20 million to just one individual or corporation, like the ____, or something like that.

MJH: So, in other words, your bank, and some of the smaller ones, thrive…

WM: It's a niche. And so we kind of…Likewise, the regulators limit the amount of money you can loan to thirty percent of your capital. And so, if you have ten million in core capital, the largest loan you could make to anyone is two million. And my figures may be off, but I'm trying to give you an ideal. So if the regulators require you to keep five percent of your total assets in capital, and you have a hundred million in total assets, then you've got to have five million in capital, okay? The regulators only allow you to loan thirty percent of that, so that would be a million and a half. So any time you look at a hundred-million-dollar bank, and you assume they've got five million in capital, you know that the largest loan they can make is a million and a half. Well, you can't loan twenty million if your maximum loan is a million and a half.

Now, a way banks get around that—let's say you did have somebody come through who wanted to borrow ten million, and we wouldn't tell them, "Well, the biggest loan we can make is really only a million and a half." We would call up our banker friends and say, "Do you want to participate?" So those are participations that they do, and that way a smaller bank can service a bigger account. But it's the same deal fit that you had with the big bank, who want to serve the little farmer. In other words, Joe Farmer, going to…

Coffee?

And it soon becomes apparent that the person or company has outgrown our bank. We really can't service their funding needs efficiently because they're just too big for us. And that happens.

MJH: So that would be correspondent relationships?

WM: Although it doesn't have to be a correspondent relationship, a correspondent relationship is not used as much as…It used to be that you always had an upstream correspondent bank that you would do a lot of…Let's say Velma, for instance. I believe their correspondent bank, and this was before I got there, was the Security in Duncan. And Security later became, was bought by BancFirst after it was AmQuest, or something like that. Anyway, other institutions have come along to kind of fill that correspondent gap. As far as how many participations—that could be more of just, whomever you kind of got along with. In other words, if we had a loan we wanted to participate, or we needed a participation, we might call a banker friend in Duncan who owns a bank. Because really, the Duncan banks don't do a lot of lending in this area, and we don't do a lot of lending to the Duncan area. And so, we don't worry—like if we had a participant that was in Duncan, we wouldn't really worry about him stealing our customer. It would be like, let's be friends; but kind of stay out of my way, and I'll stay out of yours.

Another participation that I am aware of is like the bank in this community and the bank in Hydro. Well, we're not going to loan any money to people from Hydro. It's not convenient for them to drive over here. So, that's how they get around, if they need to make a larger loan.

Or let's say, we have a good customer, and he's already at our loan limit. And he comes in, and he wants to borrow a hundred thousand—not even like a million and a half or three million. And he wants to put up a CD. Well, we can't loan him the money, because he's at our loan limit. But what we could do is pick the phone up and say, "Are you interested in this participation?" And the bank would say, "Well, what's our collateral?" And then, we might originate the loan, and then sell the loan off to the participating bank.

MJH: That's like how mortgages are sold…

WM: Yes. Yes. Yes. You would never probably know it. If we retain the servicing, that means you could make the payment at our bank, but the loan would not be in our bank, it would be in another bank. That's kind of how they work that.

MJH: Today, what are some of the main changes that really affecting Chickasha banks, yours in particular?

WM: The consolidation that's going on. I think…And clearly the big story that I am not talking about is [Dodd-Frank]. I don't think that we know enough about it to know how it is going to impact the banking industry. But the Dodd-Frank Bill is going to have an impact that—I don't know how to measure that. We just don't know what it's going to be.

With the elephant sitting in the room: "Other than that, Mrs. Lincoln, how did you like the play?"

Laughter

I would have to say that the consolidation…Clearly, the regulators have kind of a whip. You know, you hear pronouncements from the Administration, or from people in Washington, who say, "Let's get those banks out there and loaning money, let's get them lending, let's grease the wheels." And then you get the regulators who are coming in, and they are a hundred and eighty degrees…I mean, in terms of criticizing our efforts, criticizing our loan portfolios, criticizing…And I don't mean to be critical of the regulators. The regulators are in a bad pinch, because they have had to close a lot of banks, not here in Oklahoma so much, although a couple have been closed in the last twenty-four months. But Alabama, and Florida, and parts of California and Illinois, Minnesota—you know, they are closing several hundred banks a year, and I anticipate that they will close over a hundred, well over a hundred, this year. I go every Friday to their website—it's a morbid fascination I have—that shows the banks that are closed. They close some practically every week, and many weeks they close multiple banks. And so, in terms of the regulators coming in and doing a review of the bank, an audit of the bank—I mean, they see some bad banks out there, that are clearly not going to survive, and so they are under pressure to make sure that our bank stays healthy, because if a bank closes and people lose money, they start yelling, "Where were the regulators? Why was this allowed to happen? Why didn't somebody stop this bank from lending this money to these bad people, and now we've lost our money?"

But, by that same token, now it is practically impossible to run a small bank. By small bank, I mean a *really* small bank, like ten million to fifteen million to twenty million to thirty million in total assets. The economies of scale of running a bank, even that big—and some people would say even up to, maybe, a hundred and fifty million and maybe even two hundred and fifty million. To me those aren't small banks. However, if you look at the economies of scale of running a bank like that—like Velma, or even like Chickasha banks—the regulatory pressure…A large bank, like Chickasha, does what's called "in-house data processing." In other words, we actually have a room, where we have a giant computer, and we do all of our own date processing right there at that location. And we also do the data processing for our branches. We have branches in Blanchard, and Apache, and Tuttle, and Cement. So all of that work comes into Chickasha, it's all processed, it's all posted, and that's called in-house data processing. Okay, if you take—and we have an IT manager, we have the proper software, we have an IT department, we have people who have to basically balance the bank every day, just like you do your checkbook. Except we have to do it for all of our customers at the same time, all over the accounts, and to make sure that it's done perfect every day. That's what banking is about. So, if you look at somebody like BancFirst, or MidFirst, somebody whose assets are approaching a billion or a few billion, and they come in and they buy a bank like Chickasha Bank's branch in Velma, the first thing they can do is get rid of that expensive computer equipment and the expensive software and the people that it takes to run it, because they do their own data processing in-house, and rather than…And when you buy a new computer like that, it's like a million dollars, and the software is, like, hundreds of thousands a year, and it's not inexpensive. And of course, it all goes out of date every three to five years. I mean, you have to continually buy these new computers, upgrade your computers, upgrade your software. And they can do that virtually by flipping a switch. Okay, so now, we have to compete with, say, Arvest, which is across the street, and Arvest can loan as much money to anybody who comes in, because it's not just the assets in that branch that they are controlled by; it's the assets of the total financial institution that they have the power backing them. So if somebody comes in and wants to buy a new airplane for five million, and really they only have, like, twenty-five million in assets at that branch, they can loan the guy five million because Arvest is this giant mega-bank out of Bentonville that's owned by the Waltons—the Wal-Mart family.

So it makes it very, very difficult for community-owned, small, privately held banks to compete. And that's why you see—you always see an announcement in the paper of, "Big Bank Has Just Acquired Smaller Bank." You see, less and less, "Joe Smith and Joe Green Announce the Formation of a New Small Bank." It's just not going to happen.

MJH: You just hit on one of the main reasons for this project—we're seeing so many consolidations, and some of these venerable families…

WM: Yes, it's going to be the coach and buggy whip industry. You are not going to see…It's going to be corporate banks, in a big way.

Let me show you a graphic that I found shocking…

WR looked for report from Sheshunoff…

MJH: I met Ben Walkingstick in Chandler. I think it was the same week, or maybe the week after, he sold to BancFirst.

WM: Yes, and that would be an interesting conversation.

Okay, this is "Assets Held by Banks." This is how much the Bank of America holds: $2.27 trillion, okay? This is how much all of—454 institutions control…the size of the institutions, from $1 billion to $10 billion—and they control $1.19 trillion. Okay, these are banks from a hundred million to one billion, and you can see the share gets smaller and smaller. These are banks up to a hundred million, and you can see they control practically nothing. I mean, these are the little community banks. Okay, one bank controls as much, practically, as…

MJH: Can I get a photocopy?

WM: I'd love to give it to you, but you see these guys right here? They own that graphic! I can show it to you, but…It's easy to see where these guys are going, and where these guys are going…

MJH: Do you belong to the Community Banker Association [of Oklahoma]?

WM: Me, personally, I have never been involved. However, I think Lindell [Pettigrew] and Chickasha Bank are members of the Community Bankers Association.

MJH: Given that environment, I guess you would say the biggest challenge is trying to compete with these economies of scale, and they're not doing you any favors. What do you see as some of the biggest opportunities?

WM: Agriculture!

Laughter

I say that kind of flippantly because, sadly, Bank of America doesn't want to loan money to farmers. I mean, in terms of the economies of scale, they don't mind loaning to ConAgra. That's who they want to loan to. And that makes more sense for them. But to try and loan money to Joe Farmer, that's a no-win proposition for them. So all of the little banks that are going to be left, in my opinion, are going to have to find out how to get out from under the foot of B of A and those guys. It's like McDonald's. I can't cook a hamburger and serve it to you…If I go to the store, and I buy all of the ingredients, and I cook it and serve it to you, I can't serve it as cheap as you can buy one from them.

In order for a bank to survive—and it may not be ag lending. I just said that because, well, in Chickasha, you have farmers and you know farmers, you go to church with them and you see them at Kiwanis, or whatever. You have to find where you can survive. I noticed recently the Wal-Mart here in town—there's a strip mall across the street from the Wal-Mart, and a Save-A-Lot, which opened about six months ago. A Save-A-Lot is a little grocery store, and it's probably a little bigger than this whole office. But they're right across the street from the Supercenter Wal-Mart that sells grocery and everything in the world you can buy. Save-A-Lot has found what their niche is. Now I don't know what it is, because I'm not in the grocery store business, but whoever put the money up to do that store thinks they can compete against Wal-Mart. But there are Save-A-Lots, there are a bunch of Save-A-Lots.

MJH: Is it like a farmer's market?

WM: I don't know. I think it's for people who just don't want to walk themselves to death. It's smaller, and they probably figured out that there is a group of people, a segment of people, who will come to us. I've never been in it, but I'm not put off by them. I mean, it's going to take that mentality on the community banker's part to survive, if they can stay long enough.

MJH: Do you have any other thoughts on the past, present, or future of your business?

WM: You know, really, for all of my life…My family started in Walters, and owning that bank, and starting a new bank…And during that whole period of time, I guess up until about thirty years ago, you had individual families that owned these community banks. And in the last thirty years, or forty years, I guess, you started to see this consolidation. And then in the last ten or fifteen years, it has just accelerated, where the big banks have so much money that they are able to acquire these institutions. And Walkingstick is a perfect example. I mean, why would he have some of his family or someone come and run that bank? They probably didn't want to, or they would have. It's like, it's not fun. It's not what they wanted. And so, as you see these older banking families—it's like, I don't expect that the Brooks children, and I haven't talked to Pat, but I'm not aware of anyone working there now. After Pat—Pat was Curtis' son, and Pat came along and ran the bank, but I don't think I see Pat's kids coming into the bank. They may, and I'll be glad if they did, but it just gets to the point where the B of A is going to own everything—Bank of America.

Garbled…

MJH: I mean, what kind of future do you see in a world of just megabanks?

WM: Oh, I don't think people realize that all of the lending decisions are going to be made, for the most part, in Austin or Dallas or Chicago or...When Joe Farmer comes in and realizes that they're not going to loan him money to buy a hundred head of cattle or to put a wheat crop in, at a rate that is going to be attractive—in other words, make it where he can actually do something like that…

You don't know what you've got til it's gone. People kind of take banks for granted. And all of that's changing. Like my kids, would go months without walking into this institution. They don't see any need to ever go into banks. They want to do it online, or on the phone, and they don't have a loan officer that they would go to that they need to have a personal relationship with.

And that's something else that larger banks can do much more effectively than smaller banks. Because if I want to take my Smart Phone out and snap a picture of my check, and deposit it in my account, I've got to go—as a community banker—I've got to go buy that software, and I have to upgrade it annually, and you have to pay a maintenance fee. But my customers want that convenience, because they can go to Arvest and get that. Well, Arvest has it, because it was bought in Bentonville and they just ship it out to all of their branches, and they don't have a problem with it.

MJH: Do you see technology as a double-edged sword?

WM: Oh, for small banks, definitely. And it's not just remote capture or anything like that. It's online banking, which is…They want to be able to borrow money online, they want…And I'm bad about that too. I want to be able to look at my accounts. I want to be able to move money back and forth. I want to have my account swept. And so all of these things, that are not new technologies—that ability has been around for twenty years, a long time, and people love that. But for the bank, it's more expense. And so you think, "How do I recover that expense? I have to charge fees." And now we have new regulations that are going to control those fees, and the impact at this point is pretty much unknown. They're still sorting that out.

MJH: Are the fees part of the bill…

WM: No, I'm talking about the whole…Traditionally, banks would take in money and loan out money, and the money they made was on the difference in what they took in and what they loaned out. So loan income was paramount. That's how you paid the bills and kept the lights on. Now, I don't any bank that doesn't attempt to generate as much fee income as they do loan income, or maybe more fee income, from overdrafts, or from loan documentation—any fee you can name has been thought up by some banker and tried to put it on his customer. And, a good example of something that Bank of America can get away with that we could never get away with—and they're not really the bad guy, by any means, I'm not trying to make them out—but like if you actually want to talk to a person, or go to a teller, there's a little fee associated with that. If you tried to do that here in Chickasha, everybody would laugh at you. "I'll go down to First National Bank. They don't charge me a fee for seeing a teller or talking to someone!"

MJH: That was a daily routine…

WM: Oh, that day has passed! That's why community bankers are going to be the horse-and-buggy whip makers of the future. If you can't make money, and make returns for the stockholders, and service the financial needs of the community…

MJH: That might be the memorable quote of the afternoon, right there!

End