

# FORT BEND COUNTY HISTORICAL COMMISSION

## *ORAL HISTORY COMMITTEE*

Interviewees: **Walter Lane Ward**

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*Transcript*

GOODSILL: Thank you for your help and your memories! Would you start by telling us your name and date of birth?

WARD: My name is Walter Lane Ward, born September 6, 1948.

GOODSILL: And tell us a little bit about your connection to Fort Bend, how your people got here, what you do for a living--give us some information about you.

WARD: I was born in Houston, Texas, and my parents lived in Baytown, Texas. My father was originally from Rosenberg, Texas. He worked in Baytown for Humble Oil and Refining Company for thirty-five years. I grew up and graduated from high school in Baytown. Went to the University of Texas. Graduated in 1971 from the University of Texas with a degree in business. I'm a Certified Public Accountant My business training is banking. I've been a banker for thirty plus years now.

I came originally to Fort Bend County--my wife and I and two children-- moved here in 1978 to go to work for what was then Fort Bend Federal Savings & Loan Association. They needed a financial officer and since I was a CPA and my uncle was president of the savings and loan, he asked me if I'd come to work for him, which I did. It was a tremendous change of life for us, moving from a large town--we were in Houston and I'd been working for Gibraltar Savings, which was a MUCH larger savings and loan. But it was a very GOOD change of life because I got to spend so much more time with the family and children. I could take the kids to school and see them at lunchtime--they could have visitors at school. So it was really a nice change of pace. So, I've been here, in the same location, since '78, so I guess we're going on thirty-five years now. The savings and loan was bought in 1999 by Southwest Bank of Texas, which eventually became Amegy Bank. So my title is Vice Chairman of Amegy Bank of Texas. But I still office here in Rosenberg, Fort Bend County.

GOODSILL: Let's fill in a little bit of family history. What is your father's name?

WARD: Walter Lane Ward. So I'm a 'junior'.

GOODSILL: And your mother's maiden name?

WARD: Zula Belle Forman.

GOODSILL: And where was your mother's family from?

WARD: Teague, Texas.

GOODSILL: And do you have brothers and sisters?

WARD: Have one sister.

GOODSILL: Older or younger?

WARD: Younger.

GOODSILL: What's her name?

WARD: Nelda Jean McGee.

GOODSILL: And your children?

WARD: Oldest is Whitney Lynn Laffere.

GOODSILL: Boy or girl?

WARD: Girl. [Next is] Elizabeth Jane Kellner, and Brian Lane Ward. He was born after we got here.

GOODSILL: And I neglected to ask your wife's name.

WARD: Vicki Lynn Power Ward.

GOODSILL: So, we have all the characters. You've had your career in banking and you've been living here about thirty-five years. And it was quite a change to come from Houston to Richmond, but it seemed to work well for the children and the family.

WARD: Yeah, it was a GREAT thing. This has been a wonderful place for us to raise a family and the kids grow up.

GOODSILL: Because of the nature of the community?

WARD: Yeah, it's smaller and you knew people in the community. Whereas where we lived before, I'd leave at 7:00 in the morning and get home at 7:00 at night, which didn't leave a whole lot of time for anything else. You know, you trade one thing for another. But this has been great for us.

GOODSILL: As you begin to tell me your connection with Henderson or Wessendorff, or both families, I'm also going to ask you to build in some information about the banking part of your life. It would be easy not to talk about it. You could just say 'I'm a banker', but that doesn't give us enough specific information.

WARD: Some of the memories of Mr. Wessendorff are certainly interrelated with banking.

GOODSILL: Great! Do you want to start with how you knew Mr. Wessendorff?

WARD: I really don't remember the first time I met him. You know, one of the questions they gave us to ponder was 'when did you meet him?' and I'm guessing it was twenty-five to thirty years ago. I had CERTAINLY heard of him, just by reputation. He was the same age as my dad and he knew my dad, growing up. But at that time, Richmond had a high school and Rosenberg had a high school and they didn't mix or associate real well. So I can't say that they were friends. They were acquaintances. And he told me that, in later life. My dad died in 1974.

I guess I knew Mr. Wessendorff just by reputation and eventually got to know him a little better through the banking industry. The savings and loan that I worked for was a natural competitor with the bank that he owned here.

GOODSILL: Remind us of the name of his bank.

WARD: Fort Bend National Bank, which has evolved from various banks to Wells Fargo now. We were competitors--always friendly. So, just over the years, I got to know him.

GOODSILL: What kind of a man was he?

WARD: You know, that was another one of the questions! There are a lot of different adjectives that you can use. I think he was a kind man; he was a generous man. The context that I knew him in, at least initially, was in business. I think he was a VERY good businessman.

He was objective. He was a leader. He was strong willed. He was smart, very insightful. Each one of those is a description of someone that I admired. Everything that I enumerated there is based upon observations over the years and being around him. He was ALL of those. Generous to the community; generous to friends. One of his sayings if he really liked something, it was top-drawer. Well, he was top-drawer.

GOODSILL: That's quite something, coming from a competitor.

WARD: Well, competition can be cut-throat or it can be friendly. And there was room enough for both of us to make a living. (chuckles) We didn't want to wipe each other out, and he did things other than banking. He sold his outright interest and control of the smaller bank during the early 1980s but he stayed associated with the bank in one form or another. He wasn't THE owner any longer. A lot of the time that I knew him in the banking business was not so much as the owner of Fort Bend National Bank. It was associated with whatever the name of the bank was at that point in time.

GOODSILL: Tell us about banking in Richmond from 1978 to 1990.

WARD: It was a time of really tremendous change. I'm going to talk more about Richmond AND Rosenberg because I was in Rosenberg and not necessarily in Richmond. One of the things that you found was that people who lived in Richmond really liked to bank in Richmond and people who lived in Rosenberg or outside of Richmond, would bank in Rosenberg. So it kind of goes back to the competition between the towns. They've always been VERY competitive, the towns have. You don't see it so much anymore. A lot of that has faded and blended away.

GOODSILL: What do you think the origin of that was?

WARD: Well, the origin was the railroad. The railroad wanted to come through Richmond and have a stop in Richmond and Richmond people didn't want it. So they swung around and built a station in Rosenberg. Henry von Rosenberg was chairman of the railroad so

they named the town Rosenberg after von Rosenberg. Rosenberg always had the label of being a blue-collar town and Richmond a white-collar town. That's just kind of carried over in different form and fashion for years and years. You just don't see it that much any more, though. They've grown together. Their governments are coordinating things together, which is really good for the citizens of both towns. You don't have to have two of everything. You can do something together and do it more economically. So it makes a lot of sense.

GOODSILL: Good explanation. So you were saying that those years that we're talking about, 1978 until 1990 were years of big change?

WARD: Well, 1978 on through the late '90s were a big change in the banking industry period. The biggest change coming in the world I lived in, was that savings and loans were deregulated by the federal government.

GOODSILL: Tell us a little bit about that.

WARD: Okay. In 1978, probably the biggest change that came about was the phase-out of something called Regulation Q, which was a Federal Reserve regulation which specified how much interest banks and savings and loans could pay on your deposits. The Federal Reserve had always controlled the amount of interest that could be paid on deposits and savings and loans could always pay a quarter of a percent more than banks. And they came up with what they called a six month money market account. It could just float up and down as high as interest rates would go or as low as they would go. That began the deregulation of the savings and loan industry, which had a HUGE effect on savings and loans. Now our assets were fixed rate assets, which meant we received a fixed rate of interest on those assets, but our liabilities became deregulated and we paid more or paid less, depending which way interest rates were going.

So in the early 1980s, when interest rates started going extremely high, it essentially bankrupted the savings and loan business across the state of Texas. When I started in the savings and loan industry, in Texas there were 330 savings and loans. And when Fort Bend Federal merged with Southwest Bank of Texas, we were number 32 or 33, something like that. A tremendous number of them just been wiped out -- or merged into banks or other entities. From a personal standpoint, the thing that I was the proudest of in my business career, was the fact that we survived that great depression, because it WAS an economic depression that came through Texas in the 1980s. It began to turn around in the 1990s.

You saw kind of the same thing in the smaller banks in Richmond as they began to pick out merger partners. As I recall, First National Bank merged with First Republic Bank.

GOODSILL: Explain to me WHY the mergers became important at that point.

WARD: In the case of First National Bank, I think it was because it was a family-owned bank and they didn't have anybody it was going to go on to, so they just looked for a stronger partner. We have branch banking in the state of Texas now, and that's a fairly recent development. It used to be stand-alone, independent banks that were here. Fort Bend National became First City Bank of Richmond. Buck Berry came from the bank in Houston and became the local president of Fort Bend National, or now, First City Bank. In the 1980s, with the downturn of the oil industry in the early '90s, First City essentially became bankrupt. The FDIC (Federal Deposit Insurance Corporation) declared them as a failure.

GOODSILL: Why did the 'fall' in the oil market cause banks to go bankrupt?

WARD: Well, because so much of the Houston metropolitan/Fort Bend County and surrounding areas, the state of Texas economy at that time, and still today in my opinion, is so heavily based on the oil and gas industry --the production of oil and gas. The way that people who were in the oil and gas industry borrow money and invested in drilling for oil and so forth, is based off the fact that they can extract oil and sell it at say (at that time) \$50/\$60/\$70 a barrel. And when oil goes to \$6 a barrel, then the security is all gone, and if you have to call the loan, you have a tremendous loss. And that's really what was happening on a macro basis, throughout the state of Texas.

And after the savings and loans [failed], it wiped out a lot of the banks in the state of Texas. We really went through some hard economic times. (chuckles) One of the GREAT things in my career, from a personal achievement standpoint, is the fact that we [Fort Bend Federal Savings and Loan] were able to survive it. It wasn't always easy. It was really pretty challenging.

GOODSILL: What accounts for your being able to have survived?

WARD: I guess a little luck, we were always very honest and straightforward with the banking regulators and showed them where our problems were, when they came in. We knew they had a job to do and tried to work with them as best we could. And we had a pretty good plan. And I guess the other thing, the savings and loan didn't do any lending directly to the oil and gas industry. Indirectly we did. If you and your husband worked for an oil company and wanted to buy a house, then we'd base that loan on the fact that you're employed by an oil or gas company. Then if you lost your job, we'd have to take the house back if you couldn't pay for it, or try to work out some kind of payment plan. But no direct lending to oil and gas. Most of the loans that we made were made in the Houston metropolitan area. Some of the savings and loans had gotten so far afield they had gone all over the state, all over the country, lending money. Our theory was that if we ever had trouble with it [the loan], at least we could drive out and look at it if it was close to home. It was conservative lending.

GOODSILL: Had your bank been conservative about which companies you would loan money to?

WARD: Oh yes. That's what I meant when I said conservative lending. You look carefully at your underwriting criteria. We never did anything that was considered very aggressive so that served us well in the long run.

GOODSILL: Would you say Mr. Wessendorff was fairly conservative in that same way?

WARD: Absolutely! He was more conservative than I was. He was VERY conservative.

GOODSILL: So that accounts for how his bank did well during that time as well.

WARD: Well, my recollection of it is, that they sold to First City and eventually First City did go bankrupt. But that was beyond HIS control because of the fact that it had gone up the chain. They were ultimately owned by a holding company that had banks all over the state of Texas and the fact that they ended up [bankrupt] was just kind of a guilt-by-association thing. Eventually all the banks got taken over by the FDIC. Nothing he could do about it, really.

GOOSILL: That was a very good description of the banking situation. Is there anything I have forgotten to ask about that?

WARD: We could go on for hours about the banking industry and how it's evolved. It's becoming MUCH more concentrated today than it ever was when I first got into it, because we've gone to branch banking as opposed to stand-alone banking. Personally, I think a lot of the personality has been taken out of the banking industry, which I hate. And I know Mr. Wessendorff would hate it too. They emphasize even today, 'Know your customer', meaning know who they are and what their capabilities are and whether they are honest or not honest, or what their ability to pay you back is. In a smaller town setting, you just get to know people and you know how they react under certain circumstances, and so it's become much more--the way I describe it is -- clinical. You put some information into a computer and the computer gives you information back that says either this person is a good risk or not a good risk. There IS some judgment to it all and in theory, that's why they pay human beings to talk to other human beings and make a judgment about whether this a sound decision or NOT a sound decision. Mr. Wessendorff was very good at focusing on the facts and saying 'Well, I want to do that' or 'I don't want to do that', and have a good reason for why he wanted to do it or not want to do it.

GOODSILL: So he wouldn't have particularly liked the direction that banking is going?



WARD: No, I don't think so. He would recognize it for what it is, and that is, that's the WAY it is and we'll deal with it and make my investments accordingly. But would he like it? My personal opinion is no, he wouldn't care for it.

GOODSILL: I don't know much about it but I suspect something similar is happening in the insurance industry.

WARD: I think so, too, just from what I can see. It's become much more concentrated. It's still 'know your customer' and you can do things to try to lessen the blow. The bank I work for, we emphasize personal relationships. Everybody says that, but you've got to work at it to do it. The same way with the insurance company. I personally do business with what was the Wessendorff Insurance Company, and I do it because I know the people here. And I can talk to the person, I can tell her what my problems are, and she responds. I like that.

GOODSILL: That's interesting to me because what you're telling me is that, even though he was a businessman who would make business decisions, there was humanity behind it, in both the banking industry and in the insurance industry.

WARD: There's a personality to it, certainly. Everything has personality. I'm a firm believer that all businesses, whatever they are, only reflect the personality of the people who run it. This insurance company, the banks that he owned--he was also an investor in a bank in Bellville called First national Bank of Bellville. Keith Kidwell was the president. They reflected the kind of person he was. Good business decisions but there was some of his personality in it, for sure.

GOODSILL: Did he ever 'retire'?

WARD: I don't think so. Not what I would call retire. His last illness, he certainly wasn't able to function as well, but he was always coming into the office. I can remember coming in to see him--one of the things he loved to do was sit at the computer and look at stocks. Buy stocks and sell stocks. And there's an example of a man that was older, that adapted to a HUGE change in the environment, and that is the buying and selling of stocks via the Internet. Really pretty remarkable. You know, most people in their 80s would say, 'Hey, I don't understand it', but he had kind of a natural curiosity that I think allowed him to analyze how to do things and want to do things. He was just really a neat guy.

GOODSILL: Do you have any information for us about what the scope of the Henderson Wessendorff Foundation is? Do you happen to know what their main goal is? Are you on the board?

WARD: I am. I've been associated with the foundation a year and a half now, going on two years. And the first fifteen months or so was really trying to get the foundation organized. The foundation has been in existence for a number of years.

GOODSILL: Because I believe Mrs. Wessendorff's father started it.

WARD: That's right. And then they renamed it Henderson Wessendorff a number of years ago. It was a smaller foundation, maybe six or seven million dollars in size. Mrs. Wessendorff basically ran it. She told people what she wanted them to do and they did it. And she selected who the beneficiaries of the grants were. And with her passing, then her estate and his estate were both transferred to the Henderson Wessendorff Foundation. So, it sounds fairly simple but it's a HUGE undertaking, because the estates were huge. You go from being a seven or eight million dollar foundation to \$125 million foundation. There are a LOT of challenges in that. Having the right staff -- you have to be set up to grant so much money every year because of the type of foundation you are. You have to give away 5% of your corpus every year. That sounds really great, but then you've got to set up procedures and rules--

GOODSILL: Screening--

WARD: Exactly!

GOODSILL: Criterion, find people, find causes.

WARD: They'll find you (chuckling), that's for sure. You want the money to be disbursed in a rational way and one of the criteria is, it was set up to benefit the people of the greater Richmond area. Your focus is on Richmond, Rosenberg, and maybe lesser to Fort Bend County. We're trying to help with education, with health care. Certainly Mrs. Wessendorff's camp at Blanco, Well Spring Center, is a major beneficiary of it and continues to be a major beneficiary of it. It's a Christian camp where people can go for a retreat. And there is really no charge for it which is outstanding! A lot of churches you would think would want to take advantage of it, but it has been a fairly well-kept secret. We're trying to expand the utilization of the campsite.

Well Spring is a wonderful beneficiary of the foundation. Those are the kind of things we're thinking about. Health care, mental health, religious activities. We, as a group, spent the last two years pulling it all together and now, at long last, it has all been merged together. We've got one operation that is starting to make headway, that's for sure.

GOODSILL: That's a good update! I'm glad I asked you that question. (chuckles). Do you want to take a look at your notes and see if there is anything in there that you want to answer?

WARD: 'What do you know about his leisure activities?' Two things there. I know he loved to hunt. I never hunted with him because I'm not a hunter. I'm really not a fisherman either. But I know he loved wild life and animal life. One thing sticks out in my mind. When we bought our house out in Brynmawr Lake, we live up against a lake and we had a number of ducks out there. I asked him if he wanted to ride out and see me feed the ducks. We fed the ducks corn. He had a GREAT time feeding the ducks. He just enjoyed seeing the ducks eat that corn, and had a great time.

And the other thing that tells me he was an animal lover was he LOVED dogs. He'd pick up stray dogs and keep them and feed them. He told me toward the end of his life, he said, 'I just can't pick up any more dogs'. He was very, very kind.

'Were you members of any organization with him?' One of the outstanding events in my life was when I was asked to be on the George Foundation as a trustee. He asked me - he personally asked me.

GOODSILL: Was he a trustee as well?

WARD: He was, but he was leaving, because they have a ten-year rule. At the end of ten years you have to roll off. So I was his personal choice to replace him on the George Foundation, which was a HUGE honor. And it was kind of serendipity the way it happened. My mentor at the bank, Bob Lindsey, had passed away and there was a group of us that were trying to set up an endowed Presidential Scholarship at the University of Texas for him and his wife. So I knew a little bit about the George Foundation. I knew they had lots of money and I knew that one of the things they focused on was scholarship. So I came to see Mr. Wessendorff, in this office, to ask him if they would support this endowed presidential scholarship.

And he was pretty quick and to the point. He said, "We don't give to individual scholarships." What they do is they fund scholarships but it's to individual students. It's not an endowment in most cases. So I was disappointed but I thanked him and left. Apparently that sparked something. He knew he needed to find a replacement for himself and that kind of put the idea in his head that he maybe ought to think about me.

Two great things came out of that. I got to serve on the George Foundation and we also got Mr. Lindsey's scholarship set up and it's still in existence today. So that was a HUGE honor. And I can remember Roland [Adamson] and he wanted to have lunch with me. We went out to the Swinging Door and ate barbecue. Had a barbecue sandwich, and asked if I would do it. That was terrific!

Other major changes that Joe was involved in, in Richmond and Rosenberg--the greatest thing, without a doubt in my mind, that he accomplished for Richmond and Rosenberg--if he didn't save it single-handedly, he went a long way toward saving it by himself--the George Foundation. Because in the 1980s it fell into some activities that it really shouldn't have been involved in and the attorney general had essentially come in and taken over the foundation. The attorney general had to approve any trustees that were appointed. They removed the trustees who were there and they picked Joe Clyde Wessendorff to head it up. That was kind of a dubious honor, I would say! I mean, it's an honor that they would have that much respect for your ability to work out a problem, and it WAS a problem. A HUGE problem. He worked through it and saved the foundation. People in this county don't realize what an asset the George Foundation is to the county and how much the people of Fort Bend County benefit from the George Foundation. He worked through it, problem after problem.

There were some other people that worked on it, certainly. But he selected the law firm of Bracewell & Patterson to assist Carleton Wilde, who became the attorney for the George Foundation. This helped dramatically. To me, that was probably the -- outside maybe of the Henderson Wessendorff Foundation--I mean, it's hard to rank those because the Henderson Wessendorff Foundation has not really been functional for THAT long --but certainly the George Foundation has worked toward getting it away from the supervision of the attorney general's office. Went a LONG way for the benefit of the citizens of Fort Bend. And I think he was a HUGE, HUGE help in health care, through the Polly Ryon Hospital and Fort Bend Family Health Center.

Probably not many people know that it was--as I understand it, at least--his idea to set up the health center because he could see what the requirement for indigent care was doing to the hospital and how much money it was costing them. And he financed their building for them, out of pocket, his personal funds. And I think that's been a HUGE benefit for indigent health care in the county. He was just a very foresighted problem-solver.

'Do you know anything about his land in Kenedy?' I do but there are probably other people better able to talk about that. He bought it kind of as recreational, and it's turned out to be the major asset for the Henderson Wessendorff Foundation, because of the oil and gas production that's there. It's HUGE, HUGE, HUGE.

GOODSILL: He didn't know about that when he bought it?

WARD: You know I've heard it said, he never said it to me, but Pat McDonald will tell you he said, "There's gas under this land and some day it will be produced". The thing that's made it SO productive is the new methods of drilling that they have. The fracking and all of that.

GOODSILL: Horizontal drilling?

WARD: Exactly. And this particular land happens to be just in the sweet spot. You know there's some land in the shale that produces gas and there's some that produces gas and liquids. This land produces gas and liquids. The gas got down in price in the last year or so and it wasn't very economically beneficial to drill, but when you have the liquids from the drilling as well, and oil is selling for \$100 a barrel, it makes it a whole lot more economical.

GOODSILL: You never really have any down time. You can do one or the other.

WARD: Yeah. It's just been wonderful for the Henderson Wessendorff Foundation.

'What is your most favorite or most vivid memory of Joe?' We talked about him asking me to be on the George Foundation board and we talked about the ducks at Brynmawr. I guess taking care of stray dogs. I think shows a lot about a man's character, taking care of dogs.

'Did he ever talk about his World War II experiences?' We only talked about it one time and it was pretty clear to me he didn't want to talk about it. I know he hated war because we talked about the Iraqi war. He couldn't understand what we were doing over there. I was personally in favor of the Iraqi war and I wondered if it was because he was a Democrat that he was against it or if it was because of his personal experiences. And I've got to believe it was his personal experiences, seeing what war did to young men and the difficulties they went through. That was really the only time we ever talked about World War II, the war, whatever. It just wasn't something, at least around me, he ever emphasized.

'What is your connection to Loise Henderson Wessendorff?' Other than through him, I really didn't have any. I didn't really get to know a whole lot about her until after I went on the Foundation board. My tie was more to Joe Clyde than it was to Loise, for sure. All I can tell you about her are things people have told me. I never served with her on any boards or anything.

Going back to Joe Clyde, he asked me to be on the Polly Ryon Foundation board, which was a foundation that was set up to benefit --the George Foundation put some money into stocks and bonds to benefit the hospital over the lifetime of the hospital--and so it was about a \$10-\$12 million foundation and he and I were on it together. We used to meet in this very room and decide on foundation business. That was certainly an honor as well.

GOODSILL: I really appreciate your thoroughness in going through the questions. Very interesting information that we haven't really gathered from any sources. Every person we talk to has a different slant and yours is very valuable. I appreciate it.

WARD: You're welcome. It was my pleasure for sure.