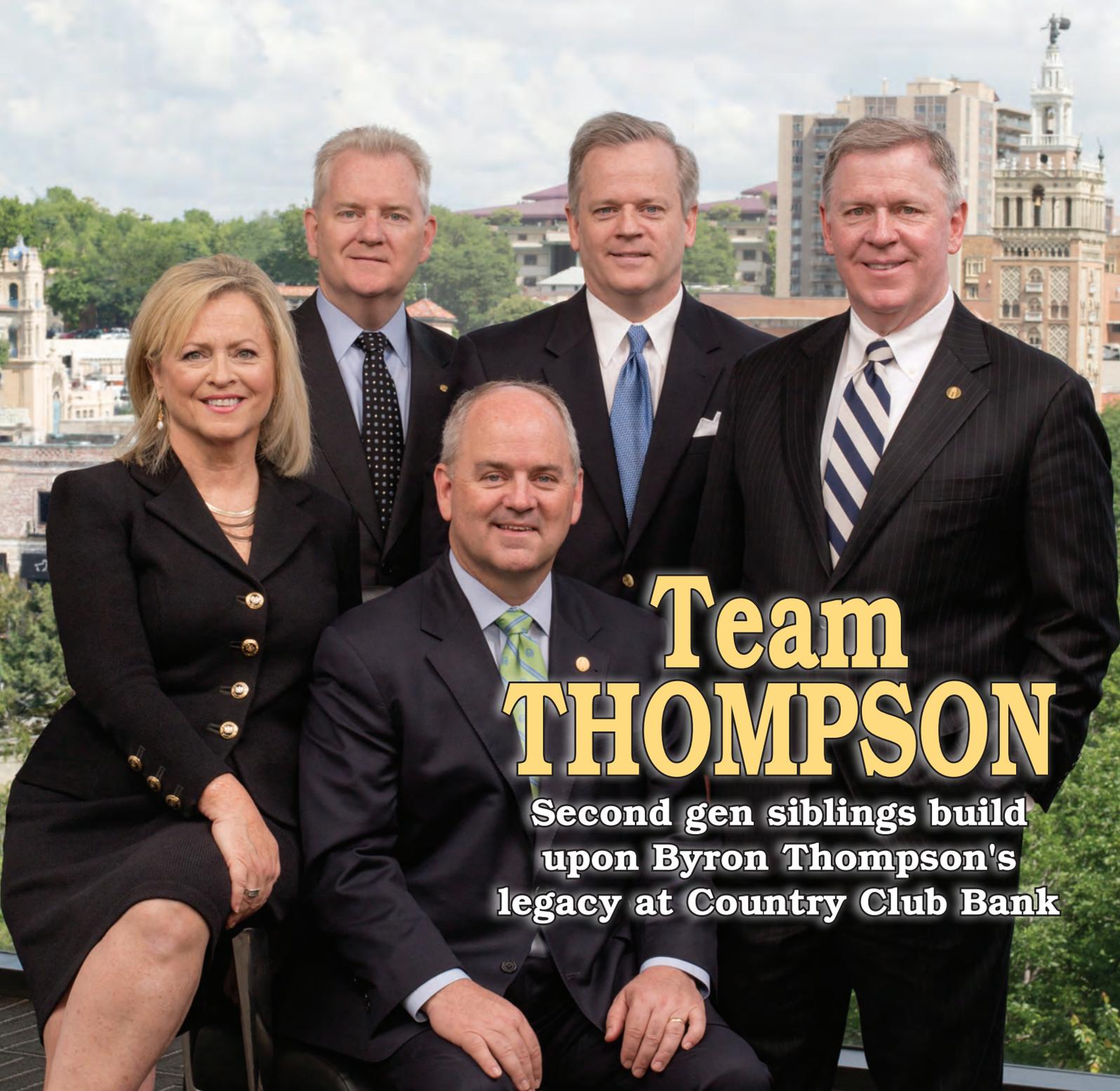


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Team THOMPSON

Second gen siblings build upon Byron Thompson's legacy at Country Club Bank

A black and white portrait of an elderly man, Byron Thompson, smiling. He is wearing a dark suit jacket, a white shirt, and a patterned tie. His hands are clasped in front of him. The background is plain white.

Legacy of Greatness

Missouri patriarch combines empathy and entrepreneurship, builds a banking dynasty

By Mara Gawarecki

WHEN MISSOURI BANKER

Byron Thompson traveled to board meetings in the early 1980s, he took his son Paul with him. Fresh out of college, the younger Thompson wasn't fazed by nights out visiting with community bankers until 11 p.m.

In the hotel room at 6 a.m. the day after one such meeting, however, Paul Thompson was surprised to roll over and find his father, fully dressed and sitting on his bed, waiting for him to wake up.

"That was dad," Paul Thompson said. "On the one hand, he wasn't going to make me get up, but his mind was moving."

It was Thompson's drive that took him from a bond salesman at a regional Missouri bank to a banker who bought and sold multiple small banks throughout his long career, and on to his life's work: Country Club Bank.

Byron Thompson
1932-2015

When Thompson bought the Kansas City, Mo.,-based Country Club Bank in 1985, it had about \$40 million in assets, \$20 million in loans, 23 employees and two locations. At the time of Thompson's death last summer, the bank had reached \$1.3 billion in assets with 20 locations, more than 350 employees and more than \$700 million in loans. The bank added a capital markets group and a trust company started from scratch in the 1980s which now manages assets of about \$2.3 billion. The bank has correspondents in 35 states, mostly concentrated in a swath of country from Illinois to Colorado and Texas to Minnesota.

Even with his passing, Thompsons still run things at Country Club. Thompson, the second generation says, never pushed his children into pursuing careers at the family bank, although he did have aspirations to create the kind

of banking legacy that would endure in the family for generations.

Of his 11 children, five found their way to working at the bank. Thompson tried to place them where their talents would most benefit the bank and complement each other's strengths, said Chairman, President and CEO Paul Thompson, who joined the bank in his 20s after a brief stint at an accounting firm which specialized in banks.

"The family is a microcosm of the bank itself," said daughter Mary O'Connor, who is executive vice president and director of brand strategies. "Our culture as a family, the things we expect of each other — courtesy, truth, integrity — these are the same things we expect from the bank itself."

That legacy can be traced back to Thompson himself, who took those qualities and infused them into Country Club's culture in his

30 years of leadership. "He bet the bank on personal relationships," Paul Thompson said. "That sounds so corny and trite, but he followed up with people. He'd respond and communicate with them."

With a mere 20 years with the bank, Chris Thompson is the most recent arrival, serving as executive vice president and head of the bank's capital markets group. Mark and Tim Thompson both came to the bank with legal backgrounds; they serve as vice chairman/corporate counsel and as general counsel, respectively.

Opportunity and hard work

While working as a bond salesman for another regional, family-owned bank, Thompson cut his teeth on a number of other bank purchases throughout Missouri and eastern Kansas, some of which eventually became part of Country Club Bank.

The next generation of Thompsons to lead Country Club Bank are, from left: Tim Thompson, general counsel; Chris Thompson, executive vice president and head of the capital markets group; Paul Thompson, chairman, president and CEO; Mary O'Connor, executive vice president and director of brand strategies; and Mark Thompson, vice chairman, corporate counsel and chairman of the bank's trust company.



Thompson recognized as civic-minded servant



Byron Thompson receives the Kansas Monk Award, which honors distinguished Benedictine College alumni, from the college's Abbot Barnabas Senecal.

Besides being an outstanding banker and businessman, Byron Thompson believed in giving back to the communities to which he belonged.

After serving in the United States Air Force during the Korean War, he returned to St. Benedict College (now Benedictine College) in Atchison, Kan., graduating cum laude with a bachelor's degree in economics. He returned to serve on the college's board in the late 1960s and received the Kansas Monk Award honoring distinguished alumni in 2015.

He served on numerous boards, including the inaugural board of Rockhurst University, Kansas City, the Carondelet Foundation, St. Joseph Hospital and the Federal Advisory Council of the Federal Reserve Bank of Kansas City.

Thompson also served on the board of the Brain Injury Association of Greater Kansas City, which hosts an annual run in memory of his daughter Amy, who suffered a brain injury during an attempted robbery.

He was the recipient of the Kansas City Spirit Award, the 2000 Van Ackeren Spirit Award from Rockhurst University, the 2006 inaugural Ethics in Business Award from the Midwest Christian Counseling Institute, and was initiated into Junior Achievement's Kansas City Hall of Fame in 2006.

In 2007, he received the University of Missouri-Kansas City Marion and John Kreamer Award for Social Entrepreneurship, and in 2014 he was named an EY Entrepreneur of the Year. ■

The first was a small bank—less than \$5 million in assets—in Gallatin, Mo., in the mid-1960s. Regulatory strictures on bank acquisitions were somewhat different in those days. The first the examiners heard of the deal was when they showed up a few months after the purchase for an exam and found Thompson in the owner's chair.

Thompson was aided in his bank acquisitions by living in less-regulated times. He was able to borrow more than would be allowed today because character loans were still allowed, Paul Thompson said. "Somebody thought he was a winner," he said.

That lender's faith would prove well-placed when Thompson set his sights on Country Club Bank in the mid-1980s. He'd been on the board for a number of years and formed a close friendship with President Bob Buckner, who had started off as a teller and worked

his way up the ranks in commercial lending.

A nimble deal-maker who worked hard to take advantage of what life offered, Thompson was fond of saying that the definition of luck is where opportunity and hard work intersect (as he was putting together the Country Club deal, he was also bidding on a failed bank through the FDIC). When then Country Club owner Lee Huddleston decided he'd like to retire, Thompson and Buckner knew their hour had come.

The bank's size at the time made it an ideal growth bank. Its location on Kansas City's Country Club Plaza made it attractive both for Thompson—who drove up to four hours to some of his other banks—and to customers such as doctors, lawyers and accountants who worked nearby.

With Buckner's background in commercial lending, Thompson had found the partner to comple-

ment his own strengths as a bond salesman which he'd honed over the years. Thompson's foresight in establishing the capital markets group in the early days of ownership meant the bank had a product spread unrivaled by other banks of its size.

"Country Club's bond business was more than unusual, it was unique," Paul Thompson said. "There was no other entity on the face of the earth the size of our bank doing what we were doing with our capital markets group."

Country Club Bank worked its way into three different federal selling groups, giving them an edge on the price of securities. The presence of the capital markets group, however, meant that some people thought of Country Club as an investment bank that dabbled in retail lending. "There was this perception that 'oh you only make lily-gilded loans' and then all this other money was put into invest-

ments and we made money on the spread,” Paul Thompson said.

Thompson combated the misperception with the same blend of hard work and relationship building he’d used his entire life. It was an uphill climb — the bank’s loan-to-deposit ratio dipped as low as 50 percent at one time — but he accomplished it by grounding the bank solidly in its customer relationships.

The strategies and qualities that Thompson laid out during his tenure are still at the heart of the bank’s success today. “The plan is to continue the same level of genuine concern for our customers that we’ve had in the past that Byron and Bob had,” Paul Thompson said. “Things will change, products will change, needs will change, but the bedrock that won’t change is the relationship.”

Customers first

For Thompson, banking was about customers first, loans second. When a local banker wanted to borrow money for a bank stock loan, for example, Country Club Bank had an opportunity to lend to a savvy management team. Thompson, however, believed trust preferred securities would be a better fit for the bankers, and he told them so.

“As much as we would have liked to make that loan, we didn’t have to convince them too much, just explain it to them,” Paul Thompson said. “We lost the loan but we gained that person’s trust and to this day they still do business with us because they recognized that dad was putting them first.”

Relationships drove Thompson’s success because when he

was doing business with you, you were his friend, Chris Thompson said. “What makes us different? Is it our product line? No, it’s our people,” he said. “It’s the depth at which we interact and get to know our clients.”

Back when Thompson worked as a bond salesman before buying Country Club Bank, securities were a simpler world. Then the industry got creative, not a bad thing in itself, Paul Thompson said, but “you do need to understand how securities work in different markets, in different rate environments.”

Thompson instilled the entire bank, but particularly the capital markets group, with the necessity of thoroughly understanding what they were doing and why. In the years leading up to the financial crisis, Country Club chose not to

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sell certain securities which had a significant mark-up, but also the possibility to turn sour. Some customers left in search of a bank that would sell the securities. That was a preferable outcome to selling an illiquid investment, “and those securities became very, very illiquid,” Paul Thompson said. “What was thought to be an overnight investment became a long-term one because there was no market.”

The vindication of Country Club Bank’s policy of matching customer with the appropriate investment underscored Thompson’s commitment to deep customer relationships.

“We know more about the product, and more importantly we know what we don’t understand,” Paul Thompson said, outlining Thompson’s approach to serving as an advisor to customers. “If we don’t understand how this security is going to react in these scenarios, the customer certainly doesn’t understand how it’s going to react.”

People first

Beyond his strong business sense and work ethic, Thompson’s ability to balance customer needs with the good of the bank was further enhanced by his deep empathy for others, particularly his staff.

When he was assembling his team before the purchase, Thompson recruited a young man from a local bank. Mike McGannon gave his soon-to-be former employer his two-week notice, but he “became an island,” Paul Thompson said. “No one wanted to talk to him. He was really struggling with it during those two weeks.”

Then McGannon’s phone rang; it was Thompson. “Dad says, ‘I bet you’re sitting down there feeling lonely and wondering if you made the right choice. I just want you to know that we’re excited about



Byron Thompson poses with author Jack Welch, who was hosted by the bank along with his wife and co-author, Suzy Welch, at a private book signing event and question and answer session for their book “The Real-Life MBA.”

you coming. I can’t wait for you to start.’ He knew exactly what Mike would be feeling, and reached out and acted on that,” Paul Thompson said. McGannon started out as a lending officer working with Buckner and now, 31 years later, he is chief lending officer and senior executive vice president.

Thompson also was known for empathy toward others during tragedies; it came from deep personal experience. In the space of a few years in the late 1980s, one Thompson daughter died of injuries stemming from a robbery. Another was injured, the victim of a drunk driving accident. That daughter was in a coma for many years before she also passed away.

“He ran the bank and the family at a time when most people would find it difficult to breathe with the stress,” Chris Thompson said. “He was a hard charging guy who expected a lot, foremost from himself, secondly from everybody else.”

“He inspired everyone around him—us, his business associates,” Tim Thompson said. “How could you not be inspired by him, a man

who had been going through that much adversity and somehow kept the plates spinning and not just spinning, but doing it exceptionally well.”

Another story from last summer epitomizes Thompson’s relationship to Country Club Bank and its employees. An employee who had worked in the bank’s capital markets group for 30 years retired last year. Thompson was sick and becoming weak. Although no one knew it at the time, he was within a couple weeks of his death.

The retiring employee wrote a note and had it delivered to Thompson. In the note, the employee wrote “thank you for allowing me to become part of your Country Club Bank.”

“Dad was literally on his death bed” Paul Thompson related, “and he reached up and put his finger over the letter ‘y’ in the word ‘your’ so it read ‘our’ instead. Dad sent a note back to the employee saying that the bank wasn’t his Country Club Bank family; it was their country club bank family.” ■