

PIONEERS
of
OLD FRONTIERS

by
J. P. BROWN

With Supplements
**PIONEER SETTLERS OF
THE CHATTANOOGA AREA**

by
PENELOPE J. ALLEN

and

THE STORY OF ANOTHER PIONEER
A Brief History of Pioneer Bank

Published 1962 by
PIONEER BANK
Chattanooga, Tennessee

THE STORY OF ANOTHER PIONEER

PIONEER, the Bank, first saw the light as the Morris Plan Bank in the charter filed with the Secretary of State on February 8, 1916.

The Morris Plan was named after A. J. Morris, a financial pioneer who stayed East, but his idea spread because it was a good one. Briefly, it was that the little man, for whom there was no loan service except that handled by the loan sharks, was honest and would pay his debts. Mr. Morris started a little bank in Norfolk, Virginia, in 1910, making loans for small amounts (frequently with no collateral) and to be repaid in monthly installments. Bankers who didn't want the business and other philanthropists soon became interested and helped him spread his idea throughout the United States. Thus did the Morris Plan come to Chattanooga. Following is the first Board of Directors:

William E. Brock
John A. Chambliss
Edward Davidson
Charles A. Lyerly
Thomas R. Preston
Z. C. Patten, Jr.

H. H. Riddleberger
Gaston C. Raoul
Walter A. Sadd
D. A. Schumacker
William B. Schwartz
Frank L. Underwood

Edgar M. Williams

The first office, with three employees, was at 120 West Eighth Street, where local installment lending was born. It was a healthy child. With no historical inhibitions or traditional handicaps, it was possible for the officers and directors to analyze the need and cautiously approach new solutions on the basis of sound judgment and horse sense. Here was made, in the first year of operation, the first bank loan to finance an automobile (then considered a luxury and slightly frowned upon). The Bank made the first FHA Title I Loan to finance home improvements in the State; the first simplified plan for amortized real estate loans (mortgage lenders of the day were not interested); and the first GI Loan in Hamilton County. It was one of the first in the nation to finance accounts receivable.

Other firsts included: no minimum balance checking accounts; a special loan plan for teachers with no summer payments; amortized business loans; and life, accident and health insurance to take care of payments in prolonged illness and to pay the loan in full in the event of death.

The same pioneering experience, plus the greater manpower and womanpower requirements for operation in smaller amounts with the added expense of monthly payments brought an especial need for the greatest possible efficiency—a heritage which has carried through Pioneer Bank's 46-year history. It is not surprising, therefore, that the Bank was first to introduce electronics in its checking account bookkeeping operations.

A bank offering so much new service had to grow to keep pace with its customers' growing financial needs. But in doing this, it outgrew the Morris

Plan. John Smith paid up his loan and made another larger one to open his own business. He needed checking account service, business credit and all the other services, and the little bank didn't want to send him elsewhere, so it paced his needs. In doing so it had to give up its slogan: "The Bank for the Individual." Thus did an institution fathered by a more or less philanthropic idea become a modern commercial bank.

Physical growth was a natural adjunct. In January 1921 the move was made to larger space at Seventh and Cherry Streets and in 1932, in deep depression, the growing bank had enough vitality to move to offices in the Provident Building. There it was to stay, taking additional space from time to time, for thirty years.

But even the Provident Building couldn't hold it, and branch offices had to be opened in outlying districts. In July 1945, the first outlying Pioneer Bank was opened at Main and Market; Eleventh Street Pioneer opened in 1951; Brainerd Pioneer opened in 1953; East Ridge in 1954; and North River Pioneer opened in 1955. Total Resources climbed steadily and proved again that the proof of good service is constant growth.

Resources Every Ten Years Since 1916

1916	\$ 60,062.40	1946	\$12,115,664.36
1926	699,666.50	1956	28,454,975.36
1936	1,506,748.82	1962	49,114,612.53

Personnel played its very necessary part. Pioneers in Chattanooga business organized the bank and kept it going. Their names are a Who's Who of East Tennessee endeavor.

The first mention in the minutes of the Bank's present executive personnel is that of George M. Clark on January 3, 1929, when he was elected Cashier. Although the minutes do not record it, he went to work as a clerk in July 1924, and worked in every position in the bank except checking account bookkeeping. This was because the bank didn't have checking accounts.

In July 1930, Mr. Clark was drafted by the Consumer Bankers Association to serve as its Executive Director, which he did until November 1933. Then, in those dark days of the depression, he returned as Executive Vice President of the little bank in Chattanooga (Total Resources of \$432,000) and began to broaden and extend the range of its service as one of the nation's most progressive and fastest growing banking institutions.

Progress marked the Pioneer for its own. Modern and aggressive practices were adopted, many of them listed in the preceding pages. Recognizing that the Morris Plan name was being outgrown, Mr. Clark suggested a new name, "Pioneer," as typifying the independent, strong, progressive and expanding operation he envisioned.

In 1937, Mr. John Stagmaier, then President, recommended that Mr. Clark be elected President of the Bank, already over \$2 million. Pioneer Bank's national reputation as an innovating leader in the field of banking was recognized by the election of Mr. Clark as President of the Consumer Bankers Association, a national organization, for three successive years. In 1961 Mr. Clark was cited by the American Bankers Association as being among the first one hundred bankers in the nation in the development of consumer banking. In 1958, Mr. Clark was elected to a newly created senior executive post of Chairman of the Board of Pioneer Bank.

Mr. E. R. Cotter, then Assistant Cashier, was first mentioned in the minutes in 1942, the occasion being his induction into the armed service. However, Mr. Cotter was first employed as a utility clerk on April 10, 1935, and his work in every phase and department of the Bank's operation provided a sound foundation for his increasingly important executive responsibilities. On his return in 1945, he was promoted to Vice President as the Bank celebrated the safe return of all twenty-two men who had been called to service. Mr. Cotter was elected President and a member of the Board of Directors in January 1958, and Mr. E. J. Platt, who joined the bank after having had wide experience in banking and finance, was elevated to Executive Vice President.

The names of those others who have served the Bank as directors and in official capacities are listed on page 51. The number is too large for individual biographical comment; however, there are four whose service has been of such long and unusual nature as to require mention.

William B. Schwartz has been an active director from the Bank's organization and served as Vice President from January 12, 1921 to January 21, 1941. Mr. Schwartz has served the Bank continuously longer than any other single person.

James E. Green, Vice President, joined Pioneer in September 1925, and his specialization in personal loans makes him a "dean" in the field of consumer credit. Mr. Green is second only to Mr. Schwartz in point of continuous service.

T. Gordon Holt came to Pioneer in February 1939, as head of the Real Estate Loan Department. His long record of customer service and safe mortgage lending has been unequalled.

Mrs. Nell Adine Arnold joined the Pioneer family in March 1933 as a teller and part-time secretary. As a result of her accuracy and efficiency, combined with her pleasant personality, she, as Auditor, has become one of the most highly regarded woman bank executives in the country.

And now the Pioneer Bank looks—not at the past—but at the future. The days of cramped space are ended, and there's expandable room enough "to handle all the banking business in Chattanooga." (Actual quotation of the Chairman of the Board.)

Just like the old days when the little bank saw the vision of expanding customer service and grew to pace the needs of its customers, it has done it again. Or rather, you, our customers, have done it again. Thanks! Thanks! \$49 million Thanks!

Directors

Richard A. Brock	Dr. Stewart Lawwill
John O. Carter, Jr.	Paul S. Mathes
George M. Clark	Thomas R. McAfee
George M. Clark, Jr.	Edwin W. McMillin
William F. Clark	Carl A. Navarre
E. R. Cotter	E. R. Pickett
John B. Crimmins	Earl J. Platt
Thomas C. Ervin	Laurence N. Polk
W. D. Gilman, III	W. E. Ragland, Jr.
Parker W. Ingalls	William B. Schwartz
Garrett P. Johnston	George L. Williamson
Theo F. King	E. W. Yates

Officers

George M. Clark, <i>Chairman of the Board</i>
E. R. Cotter, <i>President</i>
Earl J. Platt, <i>Executive Vice President</i>
J. E. Green, <i>Vice President</i>
T. G. Holt, <i>Vice President</i>
John W. Cummings, <i>Vice President</i>
Walter K. Hatfield, <i>Vice President</i>
J. C. Woodfin, <i>Assistant Vice President</i>
Joe H. Hembree, <i>Assistant Vice President</i>
Harold G. Mitchell, <i>Assistant Vice President</i>
James Lindsay Grisard, <i>Assistant Vice President</i>
Robert Harold Eason, <i>Assistant Vice President</i>
A. S. Driggers, <i>Assistant Vice President</i>
J. W. Payne, <i>Assistant Cashier</i>
David E. Young, <i>Assistant Cashier</i>
John A. Fletcher, <i>Assistant Cashier</i>
J. G. Williams, <i>Assistant Cashier</i>
Mrs. E. W. Arnold, Jr., <i>Auditor</i>

George M. Clark, Jr., *Secretary to the Board of Directors*

Parker W. Ingalls, <i>Vice President and Trust Officer</i>
Winfield M. Baird, <i>Investment Trust Officer</i>
Larry D. Putnam, <i>Assistant Trust Officer</i>