



Banking on generations

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Christine Walker works alongside her father Daniel to lead Farmers & Merchants Bank, the oldest, continuously operating trust company in the state. (Diandra Jay/Press-Telegram)

LONG BEACH - Even with 38 years of banking under his belt, Farmers & Merchants Bank and Trust Co. President Daniel Walker still turns to his grandfather for advice.

His grandfather and then-bank president Gus Walker, who leading up to his 1994 death called the younger Walker almost daily about business, often shared with him stories about working at the family-run bank during the Great Depression and the advice he learned from it.

"One of his favorite sayings was, 'Without the customer, we're not in business,'" Daniel Walker recalled from his office perch on Pine Avenue. "(Another was) 'Deposits for a bank are a liability.' For you, deposits are an asset because it's your cash, but the bank owes you the money so it's a liability.

"What he was saying is that we always need to recognize that this is somebody else's money and it's our job to safeguard these funds and to protect these funds," Daniel Walker said. "And that's what the bank has been very formidable in doing for its entire existence."

The simple, straightforward advice is now paying dividends to the long-standing bank, which chose not to invest in the sub-prime lending that led to the downfall of other financial institutions. Under the family's leadership, which includes Chief Executive Officer W. Henry Walker, the bank grew by 10 percent this past year, boasts \$4.3 billion in assets and has 22 offices stretching from Rolling Hills to San Clemente. The bank will add two locations

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in Downey and Corona del Mar.

It is advice he now shares with his daughter, Christine Walker, vice president and chief risk manager at Farmers & Merchants Trust Co. and bank vice president. At 32, the fifth-generation executive is the first female to step into a high-profile role in the organization's 104-year history.

Kevin Tiber, Farmers & Merchants' senior vice president and chief operating officer, has known Christine since she was a child.

Passing the wisdom down

"Dan would often, as most fathers do, report as to how she's doing in school and

activities, and Chris was always an overachiever, even from when she was a kid, and Dan was very proud," Tiber said, adding that "in Christine style," she finished college in three years.

In 2004, Tiber hired Christine, who was working for a trust company in Santa Barbara, to work for F&M's trust company in the area of bank compliance, ensuring that its policies and procedure are consistent with prevailing laws.

Since then, Christine has been able to broaden her responsibilities at the bank and trust company.

"That's purely by virtue of her own ambition and her own talents," Tiber said. "And Dan didn't invent that in his fourth-generation position. Dan was held to that same standard by his father and Ken Walker was held to that same standard by Gus. The (Walker) kids are really held to a much higher standard. They don't get any free passes. They have to work for every opportunity they get. In my opinion, as an outside observer, that has always been the key to the bank's success."

Daniel, more initially than now, wanted Christine to report to Tiber nearly exclusively, Tiber said.

"(It was) to keep that separation and make sure she's being held to the same standard that we would hold everybody to," Tiber said. "And if she wants to get beyond that, she's going to have to achieve that, which she has."

It has helped develop a relationship of checks and balances.

"When Christine comes to me and admonishes me, her boss, for speaking harshly to someone, or presenting myself wrong, this is the level of respect that we have," Daniel Walker said. "You talk about father/daughter, but the honesty we have toward each other and the ability to talk as plainly as possible to each other at any moment makes it very simple to do business each day."

Even when your offices are a few feet away from each other.

"Well, luckily we're both very even-tempered," said Christine Walker. "That works really well, but just time and repetition are really what have enabled us to foster that level of respect and consistency in how we interact with each other. Now that we get to work together every day, we get that routine of being together and knowing what each other's thinking. Dan allows me to listen in on the decisions he's having to make on his desk so I get to learn how he's processing those decisions."

As far as their styles go, it's very recognizable that they are father and daughter, Tiber said.

"They are very similar," he said. "In styles, both are very understated. Even when they will drop a note off on my desk I have to go back to them and see who wrote it because even their penmanship is identical. Many times I've had to march up the hall to say, 'OK, which one of you guys gave this to me?'"

A higher standard

At 104 years old, the bank that C.J. Walker built remains a family-run business. Today, three generations work at F&M, with Christine's grandfather and Dan and Henry's father, Ken, running the bank's main office. He still sits at the desk where founder C.J. Walker sat, shaking hands, greeting customers, answering his own phone.

"I am often asked how has this family been successful, and it is the fact that they hold the family to a higher standard than most of us and they have to earn everything they get," Tiber said. "Obviously, it's been working through five generations. Now that Dan has a few grandkids, we're already keeping an eye on that sixth generation."

Christine Walker spoke about how three generations of leadership are able to work together.

"It's a very interesting dynamic to see how everybody has a strength and weakness and how everybody is able to play off of each other's personalities," she said. "I honestly think that because we have such a humble base and strong Christian values and morals and ethics are the most important things to us that that's what allows us to interact and not worry about an underlying agenda, that we are all trying to achieve that same goal of providing the best product and service to our community."

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