Biography

Mr. John M. Hairston was born on October 30, 1963, in Greenville, Mississippi, to Mr. Albert Mitchell Hairston (born on January 28, 1925, in Moorhead, Mississippi) and Mrs. Edna Iris Cumings Hairston (born December 8, 1938, in Moorhead, Mississippi). His father was a farmer who also worked in the shrimping business and insurance sales, working for United Insurance Company for thirty years, after serving in the US Navy, Pacific Theater, during World War II. His mother was a homemaker and a librarian in the Gulfport schools. Hairston married Ann Jue (born March 2, 1965, in Greenville, Mississippi), and they are the parents of three daughters, Taylor, Regan, and Kennedy (deceased at age six).

Hairston was graduated from Gulfport High School in 1981 and attended Mississippi Gulf Coast Community College for one year before completing his undergraduate degree in environmental engineering at Mississippi State University in 1987. He earned a master’s degree in banking at the Louisiana State University School of Banking. In his career, Hairston has been employed in chemical and environmental engineering, engineering consulting work, Arthur Anderson Consulting Firm, banking, telecommunications and medical technology consulting work, contractual work at Nations Bank, and from 1992 to the time of this interview, he was chief executive officer of Hancock Holding Company. Hairston serves on the boards of Habitat for Humanity and the Salvation Army Board, among others. He serves on the Mississippi Gaming Commission. He has been inducted into the Mississippi Gulf Coast Business Leaders Hall of Fame, and he is active in Operation Thank You for World War II veterans. In his spare time, Hairston enjoys gardening, fishing, boating, and golf. He is a member of Bayou View Baptist Church.
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AN ORAL HISTORY

with

JOHN HAIRSTON

This is an interview for the Mississippi Oral History Program of The University of Southern Mississippi. The interview is with John Hairston and is taking place on September 4, 2008. The interviewer is James Pat Smith.

Smith: This is an interview with John Hairston of the Hancock Bank. John, your official title is?

Hairston: Chief executive officer, Hancock Holding Company.

Smith: Hancock Holding Company. And the interview takes place on September the fourth, 2008, in the offices of the Hancock Bank Building in downtown Gulfport, overlooking the Port of Gulfport. The interview is conducted by James Pat Smith of the USM [University of Southern Mississippi] history faculty. This interview focuses primarily on Katrina and the recovery from Katrina. OK. John, state your name, your full name.


Smith: Do you allow your date of birth to be recorded?


Smith: Where were you born?

Hairston: In Greenville, Mississippi, at what is now known as Delta Regional Medical Center. [The address and telephone number of the interviewee has not been transcribed in order to protect his privacy.]

Smith: And what’s your spouse’s name?

Hairston: She is Ann, no E, A-N-N, maiden name Jue, J-U-E, Hairston of same address.

Smith: Does she allow you to state her date of birth?

Hairston: She’s not here, so I’ll say yes. That’ll be March 2, 1965.
Smith: And her place of birth?

Hairston: Her place of birth is Greenville, Mississippi, at the site now known as Delta Regional Medical Center. We met each other in college, but didn’t know we’d been born in exactly the same room.

Smith: How about that?

Hairston: That’s right.

Smith: What major occupations have you pursued in your life before you became the CEO of Hancock Bank or Holding Company?

Hairston: That’s a great story. I finished school at Mississippi State in chemical engineering. Engineering was a great study and a hobby; I enjoyed it a great deal, specifically environmental engineering where we took byproducts that otherwise would have been waste, that were very expensive to store, and convert that to some usable product that actually generated positive earnings per share for whoever the company was that employed it. And that was just a passion. I was teaching engineering courses at State while I was an undergrad, and working for Dow Chemical and Exxon Refining as a co-op or a summer intern all the way through school. My dad had a heart attack when I had just graduated high school, and the objective was to make sure that it didn’t cost him or my family anything for me to attend school, so I did a lot of work while I was at college. But I loved engineering; still love it. But I had a friend that had gone to work in the consulting business a year before me, and he was also a chemical engineer, and he was telling me how much more fun it was to wear a suit and be in air-conditioning than to have a hardhat on, climbing distillation columns. And so I went to work with him at what used to be Arthur Anderson. The Arthur Anderson Firm was made up of three divisions, tax, audit, and consulting. I worked for the consulting division, and it was primarily made up of engineers and computer scientists that did different types of technology work for clients, and this was back in the days when you didn’t have the Internet, and programmers meant something. It was much more technical and difficult than the types of much more friendly user applications for programming that we have in the 2000 decade. But it was appealing to do that, and the travel was appealing and just a different lifestyle than a poor boy from Mississippi had ever lived before. So I opted to go to work with Anderson. About a year after I got there, the firm split into Anderson Consulting and Arthur Anderson, and eventually they even split into two different companies, which was fortunate because Arthur Anderson went away, and that consulting company is now known as Accenture. They’re doing well. So I went into the consulting business and did telecommunications consulting, medical technology consulting, and then in the late 1980s when the banking crisis hit Texas, and so many oil and gas economies were in the ditch, a group of us that were technology guys then decided that it would be a great opportunity to have a big bunch of us in Texas, working for the firm, doing banking work. And so we were hired on a contract basis by the Resolution Trust
Corps to pick over the bones of the banks that were in Texas, assemble assets that were sellable to try to get depositors money back.

Smith: This is what we called the savings and loan crisis back then.

Hairston: It was about the same time. And so I never came out of the bank. It was very fascinating, and it was one of the few industries that you get to get paid for trying to help people. And that’s why I stayed in it. I love it. And so I left Texas with Anderson, stayed with them throughout a number of years, became a manager with that company, and was on contract to Nations Bank, which is now Bank of America, living in Charlotte with my wife and our oldest daughter, Taylor. She was a year old, and we were putting together merger and acquisition activities throughout the nation. He was building. What he wanted to build was the biggest bank in the world. I worked for the group that was part of Humacalled(?) the CEO’s organization. But I traveled a lot, and my parents raised me to be around your children. And one night I came home, and my little girl wouldn’t let me pick her up. She was a year old, and when I asked Ann what was wrong with the baby, she said, “She doesn’t remember who you are because you’ve been gone. You’re gone a week or two weeks, back a night or two, and then you go.” And I resigned that morning. I walked up and down the hall all night long, carrying that baby, and decided by sunrise it was time for me to come home. And so I resigned that morning; loved the job; still stay in touch with all the people I worked with. We’re still very dear friends, but my daughter was more important to me. And we decided to move home. I didn’t have a job; didn’t have anything lined up. Went back to my office fifteen minutes after the conversation with—the guy that ran the American practice was my boss. And the phone rang, and it was George Schloegel, and he asked me if I was ready to come home. It’s a true story. It happened just that way. So by the end of the day, we had a deal. Never talked about money; never came up. I just knew that I wanted to come to Gulfport; this was where I was raised. And I’ve been here ever since. I’ve been home now sixteen years, and we’ve yet to have a salary conversation (laughter) in sixteen years. That’s true. So I didn’t expect to be the CEO when I came home, but it worked out well.

Smith: You said you attended Mississippi State? Did you graduate from Mississippi State?

Hairston: I did. I finished at Gulfport High in 1981. I was born in the Delta, but my mother had, a lot of her family was on the Coast, and my dad just loved fishing. And he loved fishing saltwater; was a passion for it even though he lived in the Delta. And so when I was just a very young lad, they decided to—he had a career opportunity come up in Gulfport. He moved us here. And so I really don’t have a lot of memories of growing up in Greenville. It was all the Coast. When I first moved here we lived in Long Beach, at some apartments that Katrina took away, while my dad got our house in Bayou View finished up. And so we moved in that house two years after [Hurricane] Camille and lived there till I graduated from high school in 1981 at Gulfport High. Went from there—Dad was ill. I spent a year here at JD [Mississippi
Gulf Coast Junior College, Jefferson Davis Campus] doing my freshman class there. Didn’t want to leave him then. And then he was healthy enough a year later for me to leave, and I went on to Starkville and finished up at State in [19]87. And through co-opping and summer interns, I spent six years in college, which I should have spent ten. It was great. I wish I could go back and do it again. But that’s how I got to here.

Smith: Well, we’re open. We’ve got some (inaudible).

Hairston: That’s right. (laughter) I’d love to. I’d love to.

Smith: Do you have any other advanced degrees or anything like that? Specialized (inaudible)?

Hairston: I have a graduate degree in banking from LSU [Louisiana State University], but it’s a private-sector-run school called the Graduate School of Banking.

Smith: You said your father was a fisherman. Do you have any interests other than your livelihood and your family that might help somebody understand you?

Hairston: Working, I’m a lot like my dad was. We all worked hard. He worked hard. And so I spend more time at the office than I probably should, but I love it. It’s like a hobby. It’s not even a job. It’s just fun to be here and be part of something bigger than just you. And but when I’m home, I like to spend the night at home. I traveled for all those years. I like to be at home. So I don’t leave home much when I’m not at work. We have a big yard. We’ve done a mass amount of landscape in the yard. I was mowing my grass at 10:15 last night. I have a lot of lights around my house, and I like working in the yard. I love to fish. We have a boat called the Naughty Dog that we do a lot of fishing in or a lot of sailing in. When I say sail, I mean motoring, and I’ve got, my oldest daughter Taylor is sixteen now. It’s hard to believe that baby’s sixteen. Regan(?), our next child, is thirteen, and then we lost our third child right before Katrina. She was six when she died. Her name was Kennedy(?). But our family is very close knit, the four of us and the dog. I’m the only guy. I’ve got three women and a female dog who pretty much run the household. So when I’m there, I’m the indentured laborer, and just enjoy being with them. But I love golf, too, but just don’t get a lot of time. You’ve got to do it to be good at it in golf, and so I’ll go out and hack at it a little every now and then. But unless my girls want to go, I usually don’t go anymore.

Smith: You have any civic activities that you’re involved that particularly might help us understand your perspective on community or Katrina?

Hairston: Well, my dad, he quit school in ninth grade, when the Japanese bombed Pearl Harbor, and enlisted in the Navy. He was seventeen. By his birth certificate, he was sixteen, but he swears he was seventeen. I hadn’t figured out the math yet. He enlisted, and he found himself on the destroyer called the USS Fletcher, which was
the flagship for the Fletcher class destroyers that were built about that time. And he spent the rest of World War II in the South Pacific. So he never got a chance to do—his dream was to be an attorney. He wanted to be a lawyer, and he never got the chance to fulfill that. And I didn’t know it until he was near the end of his life. This was in the [1990s] when he told me that when he had spare time, he would go to the courthouse when they had really big trials that were being covered by the press, and he would watch them. And he would daydream about, “Gee, if I’d come on back and gone back to school, what could I have done?” But he really loved being an attorney. When I asked him why, he said, “Because you get to help your community I mean, you do things that are good for everybody around you, and not just yourself.” And I guess those kind of stories have a impact on a young guy, and so it’s always been on my mind that, I mean working and making money and having a family, those are all good things, but one day you’re going to die, and you’re going to leave this place. And every time I’ve ever been to a funeral service for someone that was remembered very fondly, you hear about the family, and you hear about the work, and you hear about some of their pastimes, but a lot of times you hear people speak about what they did that they didn’t have to do. You got to eat, and you have to raise your children, and you do the best you can, but if you could pass along to those children the desire to take care of those people that maybe have a little harder time taking care of themselves. The average Mississippian doesn’t get to go out and create jobs for other Mississippians, and so if you’re in a position that you’re able to do that, you’re obligated to do that. And so I do spend about 10 percent of my time trying to make life a little bit better for the people around me that can’t do that for themselves. And I know that sounds silly or sounds a—

Smith: You have any particular organizations that draw you to them?

Hairston: One is the Mississippi Gaming Commission, which doesn’t sound much like a helping-your-neighbor, but when the governor asked me to serve as a gaming commissioner, I really didn’t have the time to do it. This was right after Katrina, and he called me. I was actually with the chairman of the FDIC [Federal Deposit Insurance Corporation] at the time, driving through what was left of Pass Christian. And I told him, “I really, I just don’t have the time. I want to. I’d love to do it.” Then he said, “Well, let me ask you first, what I want you to do.” Said, “About 80 percent or 90 percent of those jobs are hourly workers, and they’re not getting paid right now. What I want you to do is get them back to work.” And that’s different than what you have this image of a commissioner that’s, you’re swinging a gavel and all that kind of foolishness. That’s not the job. That job was getting people back to work. And I serve now. Now we’ve got them all open and rebuilt. The reason I’ve continued on with that assignment is because with one or two more ventures, you can put five or ten thousand people to work that otherwise might not have that kind of opportunity, and they start out hourly, and they work. Next thing you know, they’ve got a really good professional career. And we have that. I’m on the board of probably eight or nine different civic organizations. I tend to stay with those that do some kind of good. Probably my biggest disappointment is, I’m on the board of Salvation Army, and it meets at the same time as I have our board meeting here at the bank, which my partner
(inaudible) and I run. And so I don’t get to do that. That’s one organization, I ring the bell at Christmastime. That’s probably one of my biggest disappointments in myself is that’s one of the organizations that you would say does the most good helping people with such little expectation of return. And I don’t get to spend any time with them, and that’s a deep regret for me. So I’ve tried to find other board members that can help them when I can’t, and I hope I don’t give an example to my kids that you get affiliated with all these business organizations, and you don’t spend enough time as you should with the organizations that take care of the poorest and least able to influence their own livelihood, that sector of the population. We’re also pretty active with our church. I go to church at Bayou View Baptist, which was the one I went to when I was seven years old. And I’m on the finance committee there, and we are trying to build another building in the middle of all this hurricane business that we’re dealing with, but that’s how I spend my time.

Smith: OK, great.

Hairston: Did I tell you too much detail?

Smith: No. Do you have any awards or honors that you think would illuminate who you are?

Hairston: Well, let’s see. You hate to even talk about those.

Smith: Did you serve in the military?

Hairston: I did not. That’s another regret. I almost went in the nuclear Navy when I was a junior. I’ve always wanted to serve in the Navy because my dad did, but he was always the one that told me don’t do it because he was afraid it would interrupt your education, and you wouldn’t do the things you really wanted to do down the road. But no, I didn’t. I served; I’m in the Mississippi Gulf Coast, is it Business Leaders Hall of Fame? Community Leaders? I’m not sure the name of that. It’s Roland Weeks’ organization. I was in it as one of the Top Ten Under Forty and in it as one of the Top Ten, unfortunately, Over Forty. (laughter) So I’ve done that thing twice. In the Top Ten Under Forty for the state of Mississippi back when I was a younger man. I’ve done a number of business awards and been president or vice president of many different things. Probably the service organization that I’m the most proud of—I get emotional even talking about it—was we did an organization called Operation Thank You, where we endeavored to take as many World War II veterans to see the memorial before they died as we could and had a group of business leaders and former military guys—all were sons and in one case a nephew of World War II veterans, where their dads or uncle had died already, and didn’t get to see the memorial, my father included. They just either didn’t go in time, or it wasn’t finished before their dad died. And we were in Washington lobbying for something for the Coast at the time, and we’re sitting around a restaurant eating dinner, and we started talking about our fathers, and all of us realized that none of them had been to see the memorial. And it kind of weighed heavy on my mind, and I told them a story that night about the
week before where Bob Dole had been down here when Haley Barbour was running for governor, and Haley asked me to put together with Victor Marver(?) a luncheon where we invited veterans that wanted to meet Senator Dole to come down and meet him. And I thought it was going to be a fund-raiser, and Haley had said, “No. I don’t want to charge anything. I just want y’all to pay for their lunch and invite them to come.” And he said, “If you’ve never seen a group of World War II veterans around Bob Dole, you are really in for a heartwarming experience.” And he told me this on a Wednesday, and he wanted to have the event on Friday, and so Victor and I called the hotel. The only hotel that could put it together that quickly was the Holiday Inn Beachfront in Biloxi. Everybody else was booked on short notice, and they had this big, huge ballroom. And I told him, “We’re not going to have that many people show up. We’re putting it in the newspaper the day before the event.” And Haley said, “Don’t worry. I mean, it’ll be all right.” And we put it in the newspaper, and we put the hotel phone number on the article. And we said, “Just call and RSVP.” And we told the hotel, “However many, just put them in there.” And Victor and I thought we’d probably have thirty or forty guys show up. We had three hundred show up, and I’ve never seen the amount of emotional outpouring of affection for an elected leader as I saw that day with these old guys with Bob Dole. And just the brotherhood of those people that served together in both the Pacific and Europe, it’s more so than any fraternal organization you can imagine. And as I was leaving, we were taking Bob back to the airport. He’s a little, bitty guy. He’s only like five, eight or so. He’s a real small-in-stature guy. And he had that pin in that bad left hand. We’re walking together, and he asked me when did I serve in the Navy. This story, I was reminded by your question about did I serve in the military. And I said, “Senator, I didn’t serve in the Navy. My father served in the Navy. Why do you ask me that question?” And he said, “Well, before we left for the car, you asked me if I needed to stop by the head on the way to the car.” And it hit me that I do that a lot. I mean, I was sixteen years old before I realized it was called a bathroom. I thought it was a head because I was a Navy guy’s son, and he asked me about my father, and he asked me if I’d taken him to see the memorial. And I told him, no, he had died the year before it was finished, but I went the day it was open, just me. And he stopped in the hallway, and he put that bad hand with the pin in it on my shoulder, and I was, I’m a lot bigger than he was, so he got up real close to me. I mean, his eyes, he wasn’t five inches from my face. It made me uncomfortable. And he said, “Just because you can’t take your dad, doesn’t mean you shouldn’t take somebody else’s.” And so I told that story that night, and all these guys were telling similar stories, same kind of stories about their fathers. And so we decided to put a board together and take those guys to Washington, and we were going to leave about a month after Hurricane Katrina hit. We had signed them all up. We were ready to go, and the storm came. And a lot of them were at the Naval Home on the front beach in Gulfport, and at the VA [Veterans Administration], and all those facilities got torn up in the storm, of course, and they couldn’t, and those guys got shipped off to Virginia. And we didn’t think we’d ever put the trip back together. And I was driving down Highway 90 about maybe a week and a half after the storm, when the cell phones first started working a little bit. And my phone rang, and not a lot of people have my cell phone number. And the voice on the other end sounded familiar, but I wasn’t sure who it was. And he asked how we were doing. I said,
“We’re doing fine.” And you get that phone call over and over and over again, “How are y’all doing,” to where it’s just an automatic, robotic response, “We’re doing well. We’re coming back. Everything’s going to be OK.” And he said, “Well, tell me about the World War II veterans trip.” I said, “Well, we postponed it. We lost a lot of men in the storm that went back to Virginia. Some of the guys, we can’t find them, so we’ve just indefinitely postponed it.” And he said, “Well, don’t give up.” Said, “You can still make it happen.” And it was Bob Dole. I don’t know how he got my phone number.

Smith: How about that?

Hairston: And I didn’t even know that he knew about the trip. Somehow he did. And so he said, “If you’ll put the trip back together, you let me know what I can do to help you, and I will.” And so I guess it was the week before Memorial Day, May of 2006, after the storm hit in August of [20]05, we did that trip. We found all the guys we could find that wanted to go, and we loaded up about 120. I think it was 127. And we chartered a plane from Air Tran, left Gulfport, had about half the plane loaded up here, stopped in Jackson, picked up another half the guys from all over the state, flew up there, and the next day when we actually visited the Memorial, we took them through the president’s house, through the White House, took them through Congress, took them just through all kinds of places that they have never seen and wanted to see. And then we went to the World War II Memorial that last day, and Bob Dole met us there. And Bob’s eighty-four years old by this time, and really wasn’t in great health. He sat out there for two and a half hours in the sun in May and talked to each one of those guys and did photos with each one of those guys. And probably the most worthwhile trip I ever made in my life; it was a great trip. It really was.

Smith: What was your father’s name?

Hairston: He was Albert Mitchell Hairston; he went by Mitch.

Smith: Do you know his date and place of birth?

Hairston: Dad was born, well, Dad was born; he was a farmer’s son. He was born in their sharecropper cottage that was out in the field just outside Moorehead, Mississippi. Dad was born in 1925, January the twenty-eighth, January 28 of [19]25. And when he enlisted in the Navy, was the first time he had ever been out of that county in his life. So he went to boot camp; that was his first ride on a train, on a trip, and then a month later, he was aboard the Fletcher. And it’s a heck of a tale. In fact, I’ve tried to find veterans that may have served with him that would remember him. They have a reunion for his ship every year. About six months ago, I found the last living guy that served on the Fletcher that knew my dad. They were on the boat at the same time. And my older brother and I, Wayne, are picking him up—he lives in Minneapolis—and we’re going to take him to see the memorial; just hadn’t been able to schedule it right. But that’s probably the end of my World War II Memorial ventures, but that’ll be—
Smith: Now, when he finished the Navy tour, what kind of work did he do? Came to Gulfport. What kind of work did he do?

Hairston: When he got out, well, he was on leave in 1944, late '44. It was either just before or just after the Fletcher took a hit, took a shell in the Philippines. It was the Battle of Corregidor. And the Fletcher and another destroyer were both hit. The other destroyer was sunk. The Fletcher got hit once. Nineteen guys were killed, and they were on the battery next to my dad’s gun. It was after it because they went back to San Francisco to repair the ship. He had gotten a letter from one of his buddies that one of the other young guys in town that had not enlisted was trying to court my mother. And it grieved him greatly, and so he had a two-week leave. He used that leave to get home by train to Memphis, caught another train to Greenwood, and walked to Moorehead. Got there in the middle of the night; knocked on my mother’s window, got her. She was sixteen; he was eighteen by this time. And they ran off and got married. And so when you ask—my daughter, in fact, was doing an interview of my mother last night, and one of the questions was, “Tell me about your first date.” And my mom said, “Well, my first date, I got married.” (laughter) And that was true. And so they got married, and he went back a week later to go back on the ship. And when he got home, they went to the farm, and he was working there at the farm. She got pregnant with my oldest brother, and to make more money, he took a job working for Guy Billups(?) Sr., who at that point in time owned Billups Oil. And Mr. Billups was employing. It was hard times then right after World War II. Mr. Billups had offered a job to any World War II veteran that no matter what the position was, he’d hire them, if they would work. And so Dad ran a gas station for Mr. Billups in Vicksburg, and then children just kept coming. And so after that he worked for Sears as a salesman, and then he got into the insurance business with a company called United Insurance that was a Teledyne Company. And he worked there for over thirty years, and was very successful with them. He was always embarrassed about his education, and he had opportunities to go to Chicago and other places with that company. The company was based there, but he never would take it because he didn’t want to discuss his education in an interview. And so it was really difficult for him. So he was involved in all kinds of—he bought real estate and sold it. He had a shrimp boat, which is where I spent my years in high school, working on his shrimp boat, and just all kinds of different things. But a very salt-of-the-earth, self-made kind of guy.

Smith: What was your mother’s maiden name?

Hairston: She was a Cummins, like the diesel engine. Her whole name is Edna Iris Hairston, and she was raised there in the same little part of the countryside in Mississippi that my dad was.

Smith: What was her date of birth?

Hairston: Her date of birth was December the [eighth], of [19]28. It was the day after Pearl Harbor Day.
Smith: Did she pursue any career outside the home, other than homemaker?

Hairston: Well, they got married when she was a kid. You know, she was sixteen when they got married, and so she raised the children. She stayed at home.

Smith: How many brothers and sisters?

Hairston: Four, a brother and two sisters and me.

Smith: So she had her hands full.

Hairston: And my brother and two sisters came along pretty fast. I was an accident. My brother was sixteen when I was born, and the youngest sister was eight years old when I was born. So they thought they were done, and I was a surprise. So she ended up staying home even longer. So I was in junior high school before she had her first job. She had never been employed before. And she went to work as a librarian at West Side Elementary over by the hospital in Gulfport and enjoyed it. And she worked there until I went to State. Dad got sick and retired, and they moved to Lake Village, Arkansas, just across the river from Greenville, because my brother and sister lived in Greenville. And they thought I would never be able to come back to the Coast because I was an engineering guy. There was no jobs here, hardly, then, for engineers. So he died when they lived in Lake Village, and she lives in Greenville now. I’ve been trying to get her to move back, but we keep having hurricanes. (laughter) That’s right.

Smith: Well, talk to me about the storm. Tell me about Katrina. You told me a while ago that part of the bank’s storm preparation eventually left you in charge of things at the building here. Talk a little bit about that, your awareness of the storm, your normal preparation.

Hairston: Well, at the time I was the chief operations officer, and so the back office and the buildings and all that sort of thing, technology infrastructure, the guts, not the production of sales, but the guts of the bank were my direct responsibility.

Smith: Had you come in originally to work the computer operations?

Hairston: Originally I was hired to be the COO (chief operations officer), but George had a number of those areas that he retained, and I took them one by one over a course of several years, and by the time the storm hit, George had already begun transitioning the CO duties over to Carl. Carl and I had been partners since we got together in the mid-[19]90s. At the time we didn’t know what the arrangement would be for succession for George, and we had agreed that we would never compete for the job because we were friends and didn’t want to do that. So when the storm hit, we sort of had a natural evolution. Carl was the CFO (chief financial officer). I was the COO. Carl dealt with the investor relations, the street, cash services, the regulators.
Smith: This is Carl?

Hairston: Chaney(?), my partner. And so he dealt basically with the outside world, and I was dealing with the inside world, both focused on the storm recovery. And so at that point in time what I was focused on entirely was get the shop back alive and open because we lost everything, but that’s part of the story. So George had begun passing the baton over to us before the storm hit. That got accelerated greatly by the event of the storm, and we finished that transition about a year after the storm to the point George became the chairman of the board, an independent guy, and he’s retiring at the end of the year. And then Carl and I actually were both named CEO. The board asked us to decide, and we’d been partners for a long time and successful, and we decided we wanted to continue that role. So we run the company like a law firm, almost, where you have a series of partners. Carl and I lead the executive committee, and then we have a group of executives underneath us that make up different parts, the heads of different parts of the business. So.

Smith: OK. Well, going back to the day of the storm, though.

Hairston: Day of the storm.

Smith: As COO, your concern would have been the physical plant?

Hairston: Well, we were at that point in time, Friday before the storm, which would have been the twenty-sixth, we were wrapping up strategic planning for the company. Every year we had a strat-planning session. We had just finished with the board, briefing them on the plan that morning, and we had senior management gathered, and Carl and I were running that meeting. The storm was in the Gulf. It was a [Category] Five, that day, I believe, a rising Four or a Five, and the team was very concerned about what was going to happen. All of our hurricane readiness plans had been built around Hurricane Camille as the worst possible thing that could happen, and so our plans were engineered for that environment. We didn’t conceive a Katrina could happen, and our entire basis was, “We’ve got this big organization in Louisiana, headquartered in Baton Rouge, [Louisiana], and we’ve got this big one headquartered in Gulfport. No storm could ever be big enough to take both of those out.” We were wrong. And so the day, that Friday before the storm, we finished up the planning session, and then immediately---and in my role I ran what we called the incident management team [IMT], which basically took control. Control is a harsh word; we had responsibility for the company when we had a threat of disaster. And it just basically allowed powers to be consolidated to the point we were doing things very fast. And so I ran the IMT, and so we declared an incident, which means, “OK. Everybody focus on this. Drop everything else and focus on this.” And in that first meeting of the IMT, Carl was sitting at my right side. I was sitting in the center, and George was about two guys around on one side. And I can remember like it was yesterday saying, “You know the drill, everybody. This storm is going to scare us all to death. It’s going to hit somewhere else. This will be much ado about nothing. And
anyway, even if it hits us Sunday night, it’ll be blue sky by ten o’clock Monday morning, and everything will be OK.” Sadly, that was on video, (laughter) and I have to watch that every hurricane season. That’s the warm-up for the video show. Everybody has a good time with that. So we were of the mind-set that we thought we’d take a hit, but we didn’t think it would be anywhere near what it turned out to be. Very fortunately we had an advance team out of the technology group we sent to Chicago. We had our redundant systems. They weren’t mirrored. It wasn’t like a copy of our systems. It was the capacity to load all of our stuff on mainframes in Chicago at a company called Sun Guard, and that had been tested every year for decades. So we sent an advance team to Chicago just in abundance of caution. We said, “If we take a hit”—

Smith: How many people were involved in (inaudible)?

Hairston: We sent about a dozen to Chicago. We sent an advance team to Smyrna, Georgia, where our check-processing backup systems were. And every time we’d ever done that, it was a waste of money and time, but we always do it just in case. So that team was already there.

Smith: How many are usually sent to Georgia, or were there?

Hairston: I think we sent four or five to Georgia.

Smith: Four or five.

Hairston: Used to know the— I could give you names a year ago, but I’m a little, my recollection’s fuzzy now. S, we were watching the storm come in. We had twenty people that stayed in this building (inaudible) and four dogs. Twenty people and four dogs. Those people were either employees of the company, or they were children of employees, all of which lived in low-lying areas with the exception of the building engineer whose duties include staying here during the storm to keep everybody safe and to attack any issue that comes up. Every hurricane that’s happened since the building was built, Elena, Isidore, Lily, Juan, etcetera, including Hurricane Georges, which was a pretty decent storm, that whole endeavor of being in the building after the storm or during the storm was just to mop up where water permeated the building, blew through the doors, came in through the windows, came through the roof. Always a nuisance, pain in the neck, but never a real threat to the company.

Smith: And this is a substantial building built late [19]70s?

Hairston: Eighty-three.

Smith: Way post-Camille, so.

Hairston: Way post-Camille. Very sturdy building. So those twenty are in the building. Carl had stayed in the building during Hurricane Georges, so he had done
his time, so to speak, and he was at home. He lives in Biloxi on the Back Bay. I live in Brighton(?) Place on Lorraine Road, surrounded by water, both of us near water. I stayed home. I was supposed to relieve the crew that was here overnight at ten the next morning because sometimes, you never know when the storm’s going to come in, so they were going to be up all night. I was coming in with another crew at ten. Never made it in. The storm comes in that Sunday night, so think about what we have now. Everybody hunkered down. People didn’t evacuate then like they do now.

Storm starts blowing; we think it’s going to go into New Orleans, remember, which is the bad side, so we knew we’d get some surge, but we didn’t—you know, we measured the risk of a storm by wind speed then. Everything’s different now. Now, it’s tidal surge, and so we failed to think of Katrina as a level five tidal surge coming in regardless of the wind speed because of the way the loop current was engineered that week and the direction of the storm was looping in. So we all vastly underestimated the height of the storm surge. Katrina hooks at the last minute, goes through Buras, [Louisiana], comes across the marsh, only declined about twenty mile an hour in speed, unlike what just happened with Gustav where you saw the normal degradation in wind speed, and hit on the county line, pushing all that water in front of us. We had branches that were twenty-six feet high that were completely underwater in western Harrison County and in Hancock County. The twenty people in this building, of course, were—and we have video footage of them during the recovery effort. They videoed their activities during that night, and you see them running Shop-Vacs, keeping water off the floor, and then as the night progressed, and the morning gets here, it turns from Shop-Vacs to getting broken glass push-broomed out of the main paths, and then finally just hunkering down and trying to stay alive. Gives you an idea of the state of mind before the storm got here, and what was happening when the storm was leaving; went from a “Let’s make sure it’s easy to reopen the building tomorrow,” to, “I hope we all survive the night.” I was at home during this time with my house boarded up. Literally, the wood was ripped off our French doors that faced the east, and I’m standing there holding the doors closed because I knew if the wind broke the doors in, the house would be a wreck. A tornado dropped a chimney through the center of the house on the top, and we took water from the top. So Carl, the last time I talked to Carl before we lost radio contact, was, he was saying, “I’m taking the baby and Jinks”—his wife is Jinks; the baby’s Maxie—“I’m taking Jinks and the baby, and I’ll be in the back closet of the master bedroom.” He thought they were going to die, and he was telling me where to find them. And, well, it was a long day, long day for us. So I finally get out of the house about 1:30, wind still blowing probably eighty, ninety miles an hour, and try to get to the bank. I was worried about those people here. By this time the water was receding, and it stopped in my driveway. I knew our house was going to be OK. I got to the highway, to Lorraine Road and found the bridges were still under water there; couldn’t cross the bridge. And so I went back to the house. It was four o’clock before I could get out. Got to change tapes? (brief interruption)

Smith: OK. Go ahead.
Hairston: OK. So I went back home because I couldn’t get out, stayed at the house until about four o’clock, and then I came in. The water was down low enough. I still thought we were just having a much worse wind than expected, and I went, I drove past Bayou Oaks, and that’s when I saw the water, and it had receded. And I saw people I knew, walking down the street, that had swam out of their houses; they were telling me about it. And that’s when it hit me. This was a different storm than we thought it was going to be. So I’d mentioned before, we’d just buried our daughter in December, the year before, and I wasn’t thinking as well as I should have been. We had her in a concrete vault; the casket was in a vault. No way it could come up, but I had these flashbacks to [Hurricane] Camille where all the graves came up. And I thought, “I cannot let my wife and children go to the cemetery and that baby is up.” And so I went back to the house, and I got a shovel, just in case. And I went to the cemetery. The cemetery is Floral Hills, which is on Lorraine, headed in. It’s on the water. I pulled in there, and she was OK, but there were two boats, a thirty-foot boat and a forty-foot boat that were literally sitting next to the grave site, which was just a complete shock to me. Then, that’s when it hit me, “If the water was that high in the Back Bay, good God, what must it have been in Pass Christian and Bay St. Louis and Waveland where it’s low?”

Smith: This picture you’re showing me here is the boat in the—

Hairston: On my way out, I grabbed my—

Smith: —in the cemetery.

Hairston: —camera. I grabbed my camera. This picture is the day after. You see the blue sky. It’s the day after, but I took my camera. It was a digital camera. I’d just bought it. We had bought it for strategic planning. I was taking pictures of the planning sessions while I still had it in my briefcase. And I carried that camera around for maybe ninety days, and I took thousands and thousands and thousands of photos because I knew this was such a bad event. The guys that replace us won’t believe it. They’ll hear it, but they won’t really believe what can happen, and I wanted to have those photos embedded in this company’s culture because ultimately what we do for a living is keep people safe. We keep their money safe, and we have to be here to help them after the storm. We cannot fail because of a hurricane. And so we wanted that embedded inside our culture in order to make sure we’re always prepared, no matter what’s coming. And so we added this to our archives. And so as I was driving in, the only truck I could get through the debris was my old hunting truck. It was the only new vehicle my father ever bought for himself, and when he died, he gave it to my brother, and I bought it from my brother a few years later. And my Crown Victoria was not engineered for the day of Katrina. And so I drove that truck, getting back to the bank. I went first to the beach. I got to the railroad tracks on Lorraine Road, then I saw the fire station, and there were rooftops in the middle of Lorraine Road that didn’t match the houses. And I realized they were from a ways away and settled there in the surge as it went back out. And the fire station was gone, and those condos were gone, and the little golf course there, the little putt-putt course was gone. In fact the
only thing left was Humpty-Dumpty was still sitting on the wall there. That was all that was left, and it was like, the best way I can describe the feeling, there were elevations of awareness that I went through that day of, “Boy, this is a bad storm. This is almost like Frederick.” And then I got to see my friends coming out of the water. “Oh, my Lord, what a surge this must have been. I bet it was a lot of water in Hancock County and Pass Christian.” To seeing the cemetery and realizing, “I bet it’s a lot of water here on the beach.” To going to the beach and realizing that the Coast that I grew up in was changed. And as I was sitting there on Lorraine; it was Cowan Road then. Lorraine turns into Cowan. I became aware that all those landmarks probably were damaged. The next level of awareness was, “They’re not damaged; they’re gone. They’re gone. You can’t even find the wood. They’re gone.” And that hit me at Courthouse Road. I kept trying to get on [Highway] 90, and there was so much debris I couldn’t, even in the old hunting truck. When I got to Courthouse Road and saw everything slabbed, and Courthouse Road, that foot is actually up about eight feet, and I thought, “OK. If it took Courthouse Road, the further I go west”—

**Smith:** The seawall is at twelve, I think.

**Hairston:** Yeah.

**Smith:** And then you’re considerably higher on the north side of [Highway] 90 and Courthouse.

**Hairston:** And then up again, and so that’s when I knew, “Everything’s going to be gone; it’s going to be gone.” And then I thought, “What about the casinos? They got to be gone.” And I started thinking, “That’s forty-thousand people’s jobs are gone tomorrow.” And so you just have these elevations of awareness where you realize that this is far beyond a recovery issue. This is a new economy. It’s a new culture. It’s a new social order. It’s a new everything. Everything’s different. I got downtown, and my radio started working, I guess because we picked up a different antenna. We have these two-way radios for storms, and I was able to reach Norman McDonald(?), who was the business recovery manager. He was one of the guys in the building. And I said, “Norman”—we reached each other. I said, “Norman, you’re not going to believe what I’m seeing.” He goes, “Where are you?” I said, “I just turned off Pass Road on Highway 49, headed south.” He goes, “You haven’t seen anything yet. Wait till you get downtown.” I said, “Is it bad?” And he went, “Yeah.” I said, “Norman, this is like Camille.” He said, “John, it’s a whole lot worse than Camille. Come on down here.” So I got downtown, and of course, there was nobody. I didn’t see a human for that whole drive with all those stops along the way, not a policeman, nobody. It was like I was alone in the world. And came down to the building. Norman was outside waiting on me. He’d pulled some places of debris aside to park the truck. And as I was driving, it hit me, “He could have died in that building.” I was really, genuinely happy to see him; hugged him when I got out of the truck. I said, “Norman, this was a storm.” And he was like, he said, “John, the building’s gone.” I said, “The building can’t be gone.” That thing was built—
Smith: How many stories is this building?

Hairston: The building is fifteen occupied stories and two more that are infrastructure, so a total of seventeen.

Smith: And do you know about how much square footage we’re talking about?

Hairston: A little under three hundred thousand square feet.

Smith: For Mississippi, this is a huge building.

Hairston: Until gaming was legalized, this was the tallest building between Tampa, [Florida] and Galveston, [Texas] on the beach. So we thought that—and I said, “I know it feels bad, but the building’s going to be OK. We’ll be all right.” So he said, “Well, let’s go take a look.” And his role as business recovery manager is to build all the disaster plans, all that, he said, “John, we were ready for Camille. We’re not ready for this.” And I said, “It’ll be OK.” He said, “No, I’m telling you, the data center”—and all of our operations were headquartered here in this building, all of our corporate services. In the banking business, your check-processing areas and your ATM [automatic teller machine] areas and your technology, your loan servicing, all those are crucial parts of this whole puzzle that makes up a bank. And they were all in this building. It was very efficient. It was also, you’re betting the farm that that building’s going to hold. And so the idea that it could be destroyed in one storm blew me away, but I said, “Well, if we lost it, we lost it. We’ll bring operations up in Baton Rouge, [Louisiana]. Everything will be OK.” I said, “But I’m not ready to give up on the building yet. We’re going to walk this building.” Now, the wind’s still blowing about sixty miles an hour. I’m in the building; I go walking in the building, and I was completely, to say shocked, it’s not a big enough word. Floored is not a big enough—I don’t have a good enough word. Overwhelmed is the closest word I can come up with. I walk into this building that I thought—you know, it’s limestone and steel. And there were dead birds in the building. The whole bottom floor had been washed out. The furniture was in some cases gone.

Smith: This was storm surge.

Hairston: Storm surge coming in.

Smith: We’re not talking about roof leaking.

Hairston: Storm surge.

Smith: The bottom floor was—

Hairston: Well, it got us both ways.

Smith: You know what the elevation was here?
Hairston: We only had three to four feet of water in the building. It was moving very fast. It knocked out the glass in the front and washed everything out.

Smith: So everything in downtown Gulfport, the whole downtown Gulfport was (inaudible).

Hairston: Yeah. We had furniture from other buildings in this building. As we started going up the floors, I appreciated how many windows were gone. We learned later that a waterspout came through downtown, the one that destroyed Lenny Sawyer’s(?) building, which had been there since like 1920. It destroyed that. It flattened that building. It took the top off the building a block to our south, and took the combined debris and threw it against the south face of this building, knocking out thirteen hundred windows, either the outside pane or the inside pane. These are windows—we lost three windows in Hurricane Georges; we lost thirteen hundred windows in Katrina. The twister went up the south face of the building and peeled a one-inch-thick, steel roof back like a sardine can top, opened it up. The elevator cars were at the bottom of the building; we thought they’d be safer there. Flaw in the plan. That allows water to come down the elevator shafts. The voids in the building where the cranes had been became channels for water flow, and it was saltwater. Seventeen floors up, it was still saltwater. I mean, just imagine the power of wind that blew saltwater seventeen floors up. Not rain, salt. It ripped open the electrical conduit because the generator was up there, and saltwater went down all of these electrical lines, and we had saltwater in every electrical conduit and every electrical junction box in the building. We got to the fourth floor, which is where human resources was, and there was a chair where the front legs were sitting on the floor, and the back legs were against the wall, but somebody had chopped about a foot off the back leg so it was sitting up at an incline. I said, “Norman, look at that chair.” And I thought that the legs had been broken, and this is by flashlight, now, because we’re inside the building and even though there’s still daylight outside, it was very dark that day. The cloud cover was very thick, still blowing. And I reached over. And when I grabbed the chair, I realized that the legs were through the wall. When I pulled it out, the whole wall fell in. The elevator shaft was behind the chair and fell down, and I realized the Sheetrock, the wind and the rain had been churning through that void of those elevator shafts like a washing machine, just wiping out all that [Sheet]rock. And if it wasn’t steel, it was gone. And so everywhere throughout all the fifteen floors of the building, you could lean against the Sheetrock and go right down into the elevator void. That’s when I knew we were in trouble. I went in the men’s room on the fifth floor on the way to the data center, and the urinal was sitting there with no wall behind it. That was a problem, and we knew, “This is past being, ‘We’re going to be able to operate,’” and we were into, “People could die in the building.” We went to the data center, and the twenty people in the building took refuge there during the storm. It was the only area of the building that has no windows in it; it’s brick walls.

Smith: And where was that located?
Hairston: On the fifth floor, on the north side of the building. It has a raised computer floor in it about, I guess, ten or twelve thousand square feet; I don’t remember now. And they were in that building. Computer systems were all still running just as planned. Everything was OK. Generator power had us covered up. When the tornado hit, they were in that room. It ripped open the steel, blew the wind down, blew through all the layers of Sheetrock that covered all those voids, went into the tape vault where we stored our data tapes, went under the floor of the data center and raised all those people and all that equipment up about three feet, and the east wall of the data center gave way, that brick wall, blew out into the alley, and it dropped. Well, it dropped down, and the electrical junction boxes were on that wall. It was the only thing that kept them from falling, all the wire. But all that power wire went under the raised floor and was connected to the computers. So if the weight of the wall had been such that it could overpower the strength of the metal, of the power lines, it would have just dragged all that computer equipment and the raised floor and twenty people and four dogs off into the abyss and killed them. It was pretty easy to see that when we first walked the data center. So we left the data center. By this time it was probably five o’clock, 5:30, and it gets dark in August about 7:30, eight o’clock, but it was almost dark, and it was only five or 5:30. The clouds were just that thick. The wind had come down dramatically by this time, probably forty miles an hour. And it was blustery, not steady like it had been during the storm. We went up every floor, and it was just more of the same, more of the same, more of the same. Got to the Great Southern Club, and all the windows were gone, and a lot of the furniture was gone.

Smith: This is the top floor?

Hairston: Top floor of the building. A lot of the furniture was gone, but it wasn’t on the south side. The south side windows were blown out. The furniture got sucked out in the storm and blown across the top of the building, and was north of the building. I still haven’t figured that out, how that happened. We went up into the penthouse structure and saw that the roof had given way, that saltwater was all over the elevators, and they were under the generator, which means they were powered when the saltwater hit them, which meant the motors were gone. And then we climbed up; Norman and I climbed up that roof. There’s a ladder that goes up to the tippy-top of the roof. There’s a roof; then there’s the penthouse roof. Then there’s the tippy-top roof, right on the top, and went up that ladder, popped the hatch, and got out on the roof. And it’s the best vantage point to see Gulfport and the city. And for the first time I saw how it looked to the west. I saw the Grand Casino barge in the middle of Highway 90. I saw the Copa [Casino] barge up on Highway 90, the casino. I saw those hundreds of tractor-trailers scattered all over downtown, down the beach. And that was when I reached the worst level of awareness, that people had died, a lot of people had died. And so when we climbed back down, I made the call to Chicago, and I said, “The building’s gone.” That’s when I knew it was over. And we only had a very weak signal, but the way our protocol was built, you had to make the call to declare the disaster. That’s when you start spending real money, a couple hundred thousand dollars a day. So you don’t want to make that just happen. You want it to be
a decision. So I called Jeff Andrews, who is now our business recovery manager, the son of Cooper Andrews, who worked at the bank forty-five years before he retired. I said, “Jeff, the building’s a loss. You got to move the flag. Bring up the data center in Chicago.” And he didn’t believe me. I mean, he said, “It can’t be. One Hancock Plaza cannot be damaged that bad.” I said, “That’s what I said, Jeff. Trust me. Move the flag. We won’t be in this building for a long time.” The steel held fine, but the Sheetrock and everything was gone. The wiring and everything was gone, and you had that life-safety issue with the voids. So he said, “How long you think we’ll be out of the building?” I said, “I don’t know. What’s important right now is you got to bring those systems up in Chicago.” And he said, “You know, we’ve never done this before.” And I said, “We’ve tested it every year, and it’s worked every year. I believe in you. I believe in the team. Y’all will get it done. You’ve got four days. Bring it up. Get it current. We (inaudible) in four days.” And I said, “I may not be able to talk to you again for a while. You just remember, you bring it up.” And I said, “Now, y’all are going to be watching the news up there.” They were already seeing some of it, Jim Cantori’s images from the VA and all that. “And your folks are going to be worried about their houses and all that.” I said, “Just tell them we’ve got their addresses. We’re going to get all their roofs taken care of. You guys stay the course there. Wherever your families are, if you want them up there, when they reach you, just fly them up. Y’all stay there. We’ll take care of your houses. Your job is to get those systems up. If you don’t get the systems up, we don’t have a company. Get them up.” So they did. They did it in three days, in fact, tremendous effort. They would take turns. Half the team would sleep; half the team would work, twenty-four by seven. That went on for weeks and weeks. So we declared a disaster. We called the regulators and told them we were moving the headquarters to Baton Rouge from Gulfport for the duration of the incident till we could establish control and went back down, found the rest of those people, found out one of the dogs had been killed and started getting people to their homes. By this time it’s dark, and that’s how day one ended, just like that. So Norman and I, these are two grown men, were sitting out there in front of the building, looking up at the building, got our arms around each other, and he’s saying, “Where do you start? Where do you start?” And I said, “Well, you execute the plan, page one. We’ve been through this. We know how to do it. We know the plan will work. It isn’t going to be a lot of fun the next few weeks, but we’ll be OK.” And so that’s what we went through from page one; we executed the plan. We were very fortunate to have some really talented people who we had evacuated to different areas of the company. Shane Loper(?), who is now our chief operations officer, was in Tallahassee, [Florida] with his family. He basically ran the outside recovery of the—because we had all of our people scattered, and we couldn’t communicate with each other from here, and so we moved our disaster hotlines over there that next day. All this happened very fast over the course of several days. So as people would call in, if they were IT [information technology], we sent them to Chicago. If they were operations, we sent them to Baton Rouge or Hattiesburg, Purvis, actually. Depends on what their skill was. And so for the course of weeks and weeks, we had four buses running every day. We had a couple of jets running every day, moving people back and forth, back and forth, every day to allow them to spend time working on their homes and then get the shop running. But it was a tremendous
exercise; it really was. So we got home that night, that first Monday night of the storm. I got home around ten, and the last thing Norman and I said was, “OK. Let’s meet at 0600 or earlier, at sunrise, because people are going to start coming in, and we might be all they have. I mean, if their home, if they swam out, this might be their only refuge, so we got to be ready.” So we got here about five, actually. We both ended up here, and the first thing we did was go find paper and Bic pens to make signs. We’d already discovered our other three South Gulfport, downtown buildings were also damaged, but our training center, which is up by the civil defense center, across from the courthouse, was OK. So we said, “OK. We’ll set up muster from there.” So we put signs; we taped up signs to what was all these different columns that were all beat up for everybody, “Here’s where the command center’s going to be moved to. It used to be this floor, seventh floor of this building. Just go there. When you get here, go there.” And at five o’clock in the morning, people started coming in as we were putting these signs up. “Just go to the building.” “What are we going to do?” “We’re going to execute the plan. Go to the building. Everything’s going to be OK. Don’t worry.”

Smith: Did you really believe it?

Hairston: Did I believe it? I believed it; I really believed it. But, what’s the best way to describe it? I believed the plan would work. I believed it would end up OK, and we would even prevail because the company’s history has always been in the worst of times, we did our best. But I knew that the plan did not embrace this catastrophic of an issue. I knew financially we were OK because we’re a very strong company financially, but I didn’t know how these people were going to react to it. We didn’t have three or four hundred trailers sitting up out somewhere in north Harrison County for people to go with their families to. We’d never visualized a need that sweeping, that dramatic. And so what I fretted over was, “Are all these people going to be OK?” I was thinking at the time a couple hundred of our people might be dead. So we mustered out there, and those are just images of Highway 90 right after the storm. I took those the day after the storm; I sat there on the beach. But let me find the— because we’re talking about the Hancock, not that particular part of the story. OK. The building had all those windows out of it; that’s what those floors looked like right afterwards. But anyway, that morning, it was seven o’clock that morning, and we were directing people to the—what we called the university. It used to be our training center. And in the course of that time, it hit me how overwhelming this is going to be for everybody because they’re all coming downtown. This is where the headquarters was, and they see the way it looks. And if you just lost your home, or your home was beat up, your branch is gone, your friends and neighbors can’t be found, your church is gone, and you come to the office, where is the source of your income, and it looks like somebody nuked it, you just give up. You know? You just give up. And we knew as long as everybody had some hope, we’d be all right. So I said, “Norman, we got to clean this building up right now.” We had a contract with a local contractor, and we couldn’t find him. I went to his house—this is all the first two hours— couldn’t find him. His office was obliterated or torn up bad. So we can’t depend on
that company; they may be gone. They may not exist anymore. About that time—you remember we used to have a little pond out there?

**Smith:** Um-hm.

**Hairston:** In front of the building. We were standing next to that pond, and there was probably fifteen of us by this time, and this guy comes walking up in freshly-pressed khaki pants with a white button-down shirt on, a bunch of pens in his pocket. I mean, he looked freshly showered, and he’s got a clipboard, and he’s walking. It was a surreal moment because in the middle of all this chaos, this guy that looks like he just stepped out of a normal day and a normal place comes walking up. “Who’s in charge?” “I’m in charge.” “Do you have a contract for debris removal?” “Sort of, but I can’t find the contractor.” He said, “Well, we can do it for you.” And I got real angry, thinking, “We’re sitting here trying to see if all of our people are alive, and you’re trying to do a contract.” And I said, “Look, man, I need to get some debris removed, but I’m more worried about people being alive right now. And I’ll worry about tomorrow tomorrow.” And he said, “Well, I can help you today.” And I said, “OK.” And I was really just being a smart ass. And I said, “OK. If you can get two hundred people here within the next thirty minutes, I’ll do that deal.” He said, “It’s fifty dollars an hour per man.” I said, “You can get two hundred people here in half an hour?” He goes, “Yeah.” I said, “Let me read that document.” And I read it, and the prices were egregious, but I said, “OK.” And I wrote down there, “Got to be here within thirty minutes.” I put the time down. In about twenty minutes, the buses start arriving. He turns around and walks off. The buses start arriving and semitrailers, and these guys driving Bobcats, start driving Bobcats off the back of this truck. And these busloads of people start coming out there, and it was like a swarm of army ants on this building. I spent eight million dollars in the course of about a week and a half, but by the time the bulk of our Hancock team members started arriving in that building, which was about ten or eleven o’clock, when they got there, the lobby was clean. The debris was out of the street; the pond was cleared, and it was this big beehive of activity, and Norman was standing there, and he looked around at me. I mean, it’s going on. In the rest of the Coast, there’s not a sound, except right here. And he looked at me. (laughter) He said, “I think we’re going to be OK.” I said, “You bet we’re going to be OK.” And so when these people start arriving, on foot, on bicycles, in cars, however they arrived, they’d come walking in there, and there was all this stuff going on, and you could see the difference in demeanor of the people who arrived when it was just me and Norm to when they arrived and they see a couple of hundred Mexicans with tremendous amounts of gear, running through this building. I mean, they were moving.

**Smith:** Do you know the name of the contractor who walked up, or his company?

**Hairston:** I can’t remember.

**Smith:** Where he was from?
Hairston: They were from San Antonio, and all that labor came from Houston, and they sat out on I-10 at Slidell with these buses and trucks, through the storm, through the night.

Smith: They knew what was coming.

Hairston: Waiting to see where the worst part was going to be, and that was us. And that’s what they do for a living. They chase tornadoes and hurricanes, and they make a lot of money. And I’ve told the story many times that that was the most outrageously priced, ridiculously inefficient, best eight million dollars I ever spent because in the course of three or four days, we were moving. I mean, we had them swarming in there, hundreds of them. We had them at the branches, getting debris out of the parking lots. And so as our people came in, they just had so much hope. “Hey, we’re going to be OK. This is really going to be all right.” And so the systems come up in Chicago, and we’re sending newsletters out every day at the end of the day, and they were not pretty. It was, “Here’s what’s going on today.” And we took pictures of what was happening and sent it out. So all two thousand associates were seeing the company coming back to life at a faster pace than everything around us. We opened branches on Tuesday after the storm. One branch, the building was gone; we had two chairs and a folding table.

Smith: Which one was that?

Hairston: That was at (inaudible). It was Tegarden Road. And we opened Pass on the third day in a repossessed motor home with the windshield blown out. We opened Waveland with two of the four walls gone, one beam holding up the third, and it was getting used as a latrine by two thousand people living in the parking lot of that place. And sitting out in front of it, we had a table with about ten guys and a guy with a gun, and some of those communities, in Pass Christian, us and the police department were the only business open for three weeks. The next bank that opened, opened in month three. Nobody else opened in Bay St. Louis or Waveland for a month and a half.

Smith: Well, you had to open over there because of Mr. Leo.

Hairston: Well, we didn’t find Leo for a couple of weeks. Leo spent the night in the building, and he left before I got here. It took him about fifteen hours to get home. He got home at maybe four o’clock in the morning.

Smith: No bridges. He lives in—

Hairston: Bay St. Louis. He made it all the way home.

Smith: And we’re talking about Leo Seal, who would be—

Hairston: That’s right, Leo Seal Jr., who at that time would have been eighty-one years old, and he got all the way to his house, and he fell in his pool. And he’s
swimming around in the pool, and there’s debris everywhere, trying to drag him down. 
And he’s alone, and it’s four o’clock in the morning. And to hear him tell the story, he
said, “You know, I’ve lived through all this I’ve lived through, World War II, illness,
all this kind of thing, and I’m not going to let the *Sun Herald* print on the front page
that I went through Hurricane Katrina and drowned in my own damn swimming pool.”
(laughter) And he fought his way out of that swimming pool. But we had a—that first
day was a big day, and getting that work started was tremendous. And so being able
to tell these people in Chicago and Smyrna and Baton Rouge and Tallahassee and all
these places that we’re digging out, because they were seeing these terrible things on
the Weather Channel and CNN [Cable News Network], Fox News, that we were
digging out. But we opened branches. We opened about ten branches the day after
the storm, and we opened about thirty by the end of the week. About twenty of them
were in buildings that were almost uninhabitable, and the rest of them were opened in
branches that had no power. There was no power of course at (inaudible).

**Smith:** So across the region you might operate what? A hundred, to a hundred and
fifty branches from Tallahassee to—

**Hairston:** We’ve got about a hundred and sixty now, finance centers and banking
offices.

**Smith:** How many of those were not operational the day after Katrina?

**Hairston:** The day after the storm.

**Smith:** Or what was the maximum takedown?

**Hairston:** Let me think about that. All of Florida was up; we weren’t in Alabama
then.

**Smith:** You must have had some loss of operations in the New Orleans area.

**Hairston:** Yeah. I’m trying to think of that day afterwards.

**Smith:** Slidell.

**Hairston:** We had about fifty-five or sixty offices that were not operational on the
day after.

**Smith:** So that would be a third of your service capacity.

**Hairston:** Well, this is in 2005, now. At that time we had 103 or so banking offices,
so about half the franchise was down. Basically New Orleans, around the North
Shore, and here. Baton Rouge was up. Central Louisiana was up, and Tallahassee
was up. Everything else was down.
Smith: When I got reports on my checks, whenever that started happening, it was a while.

Hairston: About three months.

Smith: The reports I got came out of Louisiana.

Hairston: San Antonio.

Smith: San Antonio, OK.

Hairston: We sent the letters out of Baton Rouge because there was no postal service. Remember the post office didn’t run forever. But we lost our primary and our backup facilities, and so we engineered a deal with Fidelity, and rendered statements out of San Antonio. And this was before Check Image, and so we had all these checks. We had two semitrailers full of checks, and we had to sort all those checks down and get all the statements billed. And remember, we sent out statements without checks for about three months and converted those to—and then sent the checks out in extra statements in early 2006. We learned a lot in that exercise. We learned that your whole region can get taken out with one event, if not by the storm itself, by power, loss of fuel, all kinds of different things. So we actually set up redundant operations of all the critical stuff.

Smith: Well, talk to me about how you operated with no power. There was no power around here for ten days or two weeks.

Hairston: Thereabouts. I think we got—

Smith: And yet you said on the Tuesday you had many of these lost centers up.

Hairston: We operated without power. You know Leo used to say that if just one percent of the people in the world were dishonest, you couldn’t operate a bank. And we really proved that in that exercise after the storm.

Smith: What’s his basis for saying that?

Hairston: Almost everybody is honest. There’s a few people that are truly dishonest.

Smith: You mean you don’t have enough repo men to make us pay back loans?

Hairston: Well, now, people may default on their loan, but it’s not because they’re dishonest. It’s because they had misfortune. Right? Dishonest is when you knowingly take advantage of somebody. Right? Leo said one percent are dishonest; they’ll steal you blind. After the storm, we had no data, and you can’t know three hundred thousand people. That’s how many customers we had at the time, and so we were huddled around. I think it was me and Carl; Leo was gone. He was in the Bay...
then, and Alfred Roth(?), the chief credit officer, the three of us. And we were huddled around the hood of a car over at the university, and we were trying to decide, “OK. We’re opened up. If we take care of everybody’s business, we might get killed here.” So we went back to the—but our charter is to take care of people. That’s what our—when the State granted us the charter, it wasn’t to make a profit. It was to take care of the communities that we serve. And those are our values. We reduced them to paper in 1899. They’re on every wall of every facility we own. That’s what we’re obligated to do, and Leo is right. Almost all these people are honest. We’re not going to lose enough money to kill us. And so we said, “OK. We’ll serve everybody whether they bank with us or not.” And now, see, looking back, you can logically deduce that that was a good thing to do. But that was a tough decision at that moment in time when you don’t know what’s going on. But we said that’s what we believe, so we’re going to stick with that. And so we opened up, and we would give anybody up to five hundred dollars. We went through forty-two million dollars with just no information at all. We issued probably ten or fifteen million dollars where we didn’t get a check. We had Post-It Notes, and little pieces of torn paper and the back of receipts and stuff you could just find on the floor somewhere where people would write their name, their social security number, the address they had before the storm, the amount of the money, and sign it. You can’t run that through a—

Smith: Old-fashioned checks. Real old-fashioned.

Hairston: Old-fashioned checks. It was an IOU [I owe you], basically is what it was. And we had tens of millions of dollars of those things. And out of that, out of all that money we issued that way, we lost three hundred thousand dollars. That’s all. Three hundred grand.

Smith: So a lot of people had actually lost their checks to water.

Hairston: Swam out of their house.

Smith: Or couldn’t get to them for one reason or another.

Hairston: That’s right.

Smith: But they had to have money to function.

Hairston: To get out or get food or leave or whatever. We lost almost no money.

Smith: Where do you get that kind of cash? How do you deal with that?

Hairston: We vaulted it. We had filled up our vault basically with cash before the storm, but we didn’t have enough because we were servicing not just our customers. We never envisioned we’d take care of everybody’s. We thought the other banks would open, and they didn’t, and so we had this tremendous outflow of cash going out, and so we didn’t have, we couldn’t get to the Federal Reserve. It was under water
in New Orleans. And the Fed in Tennessee and Atlanta wouldn’t send us any money. Their armored car service refused to come to the Coast because they heard that the fuel was confiscated, and once you got here, you couldn’t get out. So we were alone. Some of the IT guys got an old washing machine and got it running, and one of the ladies went home and got a dryer from her house, an iron, and an ironing board. And we sent Bill Magnuson(?), the head of security, and the ladies that run our ATM department, Corrine Buckles(?) and Mary Barnard(?), Karen Hogue(?), and they went out to the casinos that had gotten swamped and asked them if they wanted to deposit their money in the bank. And we went to all the ATMs that had gone under water and all the bank vaults because all the bank vaults were still there, but the branch was gone. And they got all that wet, stinking, foul money out of those vaults—

**Smith:** The filthy lucre.

**Hairston:** —and brought it back. The filthy lucre. And we got really good at washing, at laundering money. (laughter) We did. We learned that next day—this was day four by this time. We learned exactly how long to dry money, because if you dry it too much, it gets crinkly. And if you dry it too little, it’s wet, and you can’t count it. And so we laundered all that money, and then we dried it, and then we ironed it, and we strapped it together in bundles. You’d walk in this room; it looked like a cocaine room. You had a bunch of ladies around a table and money piled up, I mean everywhere. Huge piles, six-foot piles of money.

**Smith:** Was that happening over here by the—

**Hairston:** This happened over by the civil defense building. That’s all we had left was that one building. And so we’d bag that money, and several of us were running that money out to the various branches.

**Smith:** How much money went through the washing machine? Do you have any idea?

**Hairston:** A hundred million dollars maybe. And I really don’t know. We never could come back and reconcile all that. In fact, we wrote off probably a million dollars, a million, five, in all these different accounts, that we really didn’t lose the money; we just couldn’t balance it all because we just—

**Smith:** (Inaudible)

**Hairston:** No. It was just staying alive in those days. Well, we put all that money out there, and we went through all of it, and we got almost all of it back, all but three hundred grand by the time the dust settled. The power company [Mississippi Power] had all these men down here, working, twelve thousand of them. And Antony Topazi, I was talking about the—he said, “My guys, we’re trying to get money in their pocket to eat.” And they’re in these long lines at the branches because not enough banks are open. I said, “We’re trying, man. It’s just we just got so many people to take care of. 
We can’t get through them all fast enough.” And he said, “Well, do you want these guys standing in line, or you want them up on those poles?” And I said, “How would you like to have a branch of the Hancock Bank in your command center?” (laughter) And he said, “That’d be great.” So I took eight million dollars in the trunk of my car down to the power company. Twentieth Street was all they had left, and their accounts payable department became a branch. And they were cashing checks there, fast. And that’s how the power company guys got money. And it worked.

Smith: Did you do that with any of the other businesses that had to make payroll?

Hairston: We did it with the City of Gulfport, I think. We did a similar situation with Northrop Grumman. They just needed money. I can’t remember how we did it with them; just can’t remember. Carl finally was able to get an armored car company in Tennessee to start bringing us money because we were running out of wet money to launder. After about a week we started running out of money again, and about a day before we ran out was when that armored car pulled up, and we started sending it to all these different depots.

Smith: And where did they get it? They get it from Atlanta?

Hairston: From Nashville Fed. And so that went on for a long time. So gradually we started bringing all the—I think I’ve got some photos. (brief interruption) Those are pictures of the—yeah, that’s the roof on top of the building. That’s the void that went into the tape vault, looking straight up. These are all levels of Sheetrock. I’m looking straight up now, and that’s daylight. That’s the roof of the tape vault. You see how all the lines were blown away. That’s the entrance to the—(brief interruption)

Smith: OK. Looking at some photographs from your command center.

Hairston: We had all the people that weren’t in the branches giving money out were mustered in that one command center, and they were divided into teams, and the building by this time was real musty, and mold started forming on day four. And we were trying to get all of our files out of the building because we knew we were going to be out of it a long time. So we had these people with masks for everyone to be able to breathe safely, and every morning, early, about seven o’clock, while it was cool, we’d get together. And each team had a leader; this was one of the team leaders, Andre. And they had sections. They would kind of get their plan together, and we’d organize outside. People would grab boxes to carry, and they’d start walking because we had no fuel.

Smith: So walk about two blocks, three blocks to this building?

Hairston: It’s six blocks total, two over and four down. And so we would walk. There was no rank; no officer titles. We were just all together. Remember the morgue was destroyed in the storm.
Smith: Um-hm.

Hairston: And the old Riemann’s main building was where we formed the morgue. It’s across the street from that command center. And we couldn’t find the coroner staff, and so one of the Riemann’s guys, Jason Green, his mother worked for the bank. That’s how we knew Jason. [He] sort of became the de facto coroner. They were bringing the bodies in from all over the county, there, but we didn’t have a refrigerator, so we took one of the banana truck trailers, the only thing we had. And we couldn’t find fuel yet, but we knew we’d get the chillers on sooner or later, and we found one of those freezer trucks. It wasn’t a banana—it was from the port, but it was one of the banana trucks, but it wasn’t the banana truck trailer. It was for frozen goods. And so we started putting those bodies in that trailer; Jason and those guys did, and the body fluids were leaching out of those bags and running out of the trailer and into the gutter and going down the gutter into the storm drain, right across the street from it. So to get the setting, these guys are getting these boxes, and they’re getting ready to leave, and they’re walking past that scene. And the smell was just incredible. And I was always waiting for one of ours to come in, and every morning when I’d walk by, I’d look at Jason. And he would nod, “No,” which meant, “I don’t have one of yours; you’re OK.” That went on every day for all those weeks till we found all the bodies, and everybody was accounted for. And they’d walk down the street towards the building, and you’d walk past all this destruction, and everybody was—as hard as it was, and a lot of these people didn’t have a home anymore; they were sleeping at the bank. I can never remember a complaint, not one. Nobody ever complained, riding those buses, flying back and forth, working these horrible hours. Remember how sweaty you got, and everybody stank? But they’d get in the building; they’d be masked up, and they’d start to box all these files to get them out of the building. And it was just a sea of people, and as fast as the labor that we hired from Texas would clear the debris and make it safe, we’d be right in behind them, getting all those files out of the way. And Regina Lawrence, who was actually a trust officer, kind of became the document person, and she was responsible for getting all the documents in boxes. We had over a thousand file boxes of paper to take out of the building, and we dried it. We used an outside service to get it dry because it all got wet. And they’d be on the stairwell; you’d meet people on the stairwell coming up because there was no elevator. We had fifteen stories worth of stairs to travel, and the guys from Texas filled up fifteen floors of stairs with men. And as we would bring the boxes of files out to the stairwell, or bags of debris, or bags of food from the Great Southern Club on top of the building for the freezer, of whatever, you just took it to that daisy chain, and it would go down the stairs. And when it got down there, there was somebody there to say, “That’s wet paper to go to the dryer. That’s trash. That’s debris. That’s environmental waste, whatever.” And that’s how we emptied the building. It was just manpower.

Smith: How long did it take to empty this building?

Hairston: About two weeks.
Smith: Two weeks.

Hairston: About two weeks.

Smith: Y’all did good.

Hairston: About two weeks was when we realized the extent of the damage. We’d had engineers come and look.

Smith: And about two years to get some stuff done at Gulf Park.

Hairston: Yeah, (laughter) two years.

Smith: You can still look in there and see—

Hairston: Well, it took two weeks to determine that the building was going to require a complete overhaul. It took about two months to get the engineer’s report of what was salvageable and what was not. We were done by two weeks, but the insurance company wanted—that was big money. It was an eighty-million-dollar claim. So we waited till they were satisfied, and then we opted to strip the building down to nothing but steel and concrete. There’s not an inch of Sheetrock, not an inch of wire, of duct, of glass, of tile, nothing. The building was completely and totally just steel and [concrete], and we built it again, except this time we built it on the other end of Katrina. And so the glass outside this conference room is three-inch-thick glass, ready to take 140- to 170-mile-an-hour wind. It’s high-missile-impact-resistant glass like you put in a courthouse now. Code requires that kind of glass up two floors. We have it eight. And code then requires regular office glass going up, and we have medium-impact-missile-resistant glass all the way up the rest of the building, because I’m retiring in twenty-two years, and I’m not going through this again on my watch. (laughter) That steel roof is now replaced with concrete. It’s a concrete roof now. We pumped the concrete up seventeen floors to get on top of the building. There’s blast doors around the perimeter downstairs to protect the moveable doors so water can’t get in. Everything is engineered around a catastrophic hit again. Instead of having everything in one building, now, we built a sixteen-million-dollar technology center out north of [Interstate] 10 at Cross Creek. Statement rendering moved permanently to San Antonio with a backup at Little Rock and a backup in Atlanta. Internet banking is run from the East Coast, up around Massachusetts with a backup in [Philadelphia]. It just goes on and on. The bank is now dispersed across the whole country to the point that no one place can get taken out and take down the bank and compromise customers. We just saw this week Hurricane Gustav come in. Right? The day after the storm, we opened forty of forty-one branches on the Coast of Mississippi. Nobody else was open. The only one we didn’t open was the Stennis Space Center because the base was closed. In Baton Rouge, New Orleans, all through Louisiana, no bank was open on Tuesday. We were open. No bank was open on Wednesday; we were open. Today, Thursday, there are like fifteen branches of all
other banks combined open in Baton Rouge. We have twenty-five open in Baton Rouge. We have a good plan, but it’s not because we’re smarter than anybody else. The difference is twofold. Number one, we’re experienced. I mean, we know how to run a plan now. We own a fuel station on wheels; we’re gassing up our own employees’ cars. We have a gas station now parked outside our operating center in Baton Rouge (inaudible).

**Smith:** Is FEMA going to let you keep it?

**Hairston:** They’ll never recognize it. (laughter) They’ll never recognize what it really is. The first thing is we’re experienced, and the second thing is that that cultural value that says our purpose is to help people overrides any discomfort we may have, and so the kind of people that have to be in leadership roles, if you want to run a banking office, you got to understand, when the storm comes, you got to get to the shop; you got to open that branch and start taking care of people. And the company will take care of you in return for that. And that’s the difference. It’s a big difference, Pat; I mean, it really is a big difference. And so Carl and I were in Baton Rouge yesterday just to really thank people for being there because we knew they were having a hard time. There isn’t any power at home; hadn’t had a bath. We’d been there; it was day five before we got a bath, and it was in my swimming pool. So we know what that’s like, and we want to make sure they know we know what that’s like, and we appreciate them for it. And so we were doing that round. The reaction of those people, those customers to being there for them was just incredible. I didn’t get to see that here because I was so focused on getting the engineering work done for getting the company back together. I didn’t get to go out there and talk to people. I talked to people that called me that needed help, but I didn’t get to be in a line there. And yesterday I got to see that, and boy, it was rewarding; it really was. But anyway, that’s the story. So the end result was after that storm, we went through hell that first couple of weeks, but nobody died except the one dog. The bank grew a billion, five. We grew 1.5 billion dollars in four months.

**Smith:** So this is a six-billion-dollar operation?

**Hairston:** Six and a half now.

**Smith:** Did I read that on the Internet?

**Hairston:** Six and a half.

**Smith:** Six and a half billion.

**Hairston:** We grew a billion and a half—

**Smith:** So 20 percent.

**Hairston:** —in four months.
Smith: In four months.

Hairston: In four months.

Smith: To what do you attribute that?

Hairston: We were there.

Smith: You were there; you were open.

Hairston: We were open. I mean, we were there to help them.

Smith: Are these new people coming into the area? You think you’re getting customers from banks that didn’t get back on their feet?

Hairston: I think so, but a lot of banks rushed in, Pat, after the storm. And they saw our numbers; you have to report them every quarter. So they saw us grow dramatically, and they all said, “I’d like to have a piece of that.” So we now have a number of competitors that we didn’t have before, and they’ve also realized it’s not as easy to take market share as they thought it might be. And some of these startup banks are losing their tail right now. And most people, in the public, until we had this big credit crisis around the country, weren’t paying attention to that. I mean, you can lose your money in a bank that fails. So it’s actually a much more competitive environment for banking here than it ever has been, far more.

Smith: Talk to me a little bit about your loan exposure. Hancock has a mortgage operation. You finance cars.

Hairston: Um-hm. We do cars. We finance anything, just about.

Smith: We had very high unemployment for a year or so after the storm.

Hairston: We did.

Smith: What was your exposure on loans, things like that? Did you lose money?

Hairston: We had right at a little over three billion dollars in loans out when we had the storm.

Smith: That’s three billion with a B.

Hairston: With a B. We have four billion as of last Thursday. When we did our assessments right after the storm occurred, we estimated that we were going to have about a thirty-two-million-dollar loss, thirty-two million dollars.
Smith: People that were slabbed and would never be able to pay it back.

Hairston: Slabbed and gone.

Smith: Cars lost.

Hairston: Right. That loss ended up being less than a million dollars. We wrote off thirty-two million on special reserve, the same quarter the storm hit, the September-30-ending quarter. And we really thought we were going to lose it because businesses were gone. I mean, we had a business loan to a service station, and the sucker’s gone. You assume you’re going to lose your investment.

Smith: Everything he bought with his loan is gone.

Hairston: But we underestimated the resilience of the people that live here is such that they just don’t give up, and all but a million dollars of all those loans, the customers regrouped; they took insurance money; they restarted. They got open, and they paid it all back. We lost a million bucks. We grew a billion, five, and we lost a million dollars in loans.

Smith: So you had what? Three thousand million out.

Hairston: Yeah.

Smith: You thought you might lose thirty-two million, and you wound up losing one three thousandth of your loan exposure.

Hairston: One million.

Smith: One million.

Hairston: It was a very minor amount of loss.

Smith: Maybe Mr. Leo’s right.

Hairston: Oh, he’s definitely right. If anything, he was high. That’s right. He was high. His number was 1 percent.

Smith: Did y’all ever run through any real debate about whether to build back your headquarters in Gulfport?

Hairston: We did. When we first decided to build here, we hired two consulting firms, both of which told us we should build the building at the intersection of I-10 and [Highway] 49, which is now Crossroads, but the company was founded in Bay St. Louis in 1899, and Gulfport had lost in the Depression—all the banks in Gulfport failed. Gulfport didn’t have a bank, and it was, at that time, the center of commerce
because of the port. So in [19]28, the City fathers of Gulfport asked Leo’s father, who was cashier of the bank at the time, Leo Seal Sr., to open a banking office in Gulfport. And he agreed, and it was in what used to be the Gryder’s Shoe Building, here on the corner of Twenty-fifth, over there. And three years later in [19]32, Leo Seal Sr. became the president of the bank. He was the fourth president; he took over from Horatio Weston(?), who took over from Eugene Roberts(?), who took over from Peter Helwick(?). When Old Leo decided at that point that the amount of expansion on the Coast would be centered in Harrison County, and Hancock would continue developing, but a little more slowly because it was so low. He knew about hurricanes. Jackson County at that point, the shipyard was beginning to be talked about, and we’d be in the center of that. And so he moved the headquarters to Gulfport in 1932, and at the time we were trying to decide to build this building, Leo Jr., who was the fifth president and George Schloegel, who was the sixth president, felt that our obligation to the City, having been here for so long, was such that we just couldn’t leave downtown. And so they bought a block of all this property. They got HUD [US Department of Housing and Urban Development] in Washington to give a grant to the City to build that four-story, then three-story, garage out back. Got the railroad to sell all this property out here to expand the port, and that all happened at one time in the late [19]70s, and the building was finished in [19]83. Well, the storm [Hurricane Katrina] comes along. Downtown has decayed around us, and we’re saddled with the decision of, “Are we going to build a new building somewhere else?” And we had other states that wanted us to build it there. In fact some offered to build it for us if we’d just move the headquarters, which would have included about eight hundred jobs. But this is home. It’s just home, and it’s more powerful than just the economics. And so after a lot of debate, we argued it back and forth to test each other. We agreed, all of us, that we needed to rebuild it here. Debatable. Debatable. We could have done something different. But what we hoped would be that if we invested back in the building and made it incredibly hardened for storms, that if we would rebuild that garage—we spent four million dollars just in that garage, making it pretty, adding a floor for future development of downtown, and we converted that park out there to complete green space—it’s the largest corporately-owned green space in South Mississippi—to make it attractive. We hoped that other property owners in Gulfport would think similarly about making it a really special place, and we still believe that with the port and Jones Park and the private sector ownership down here—and this is what the City owns down by the harbor—properly developed, Gulfport downtown and that area could turn into a big Bay Town. It really could happen. It really could happen. And so for that reason we still believe we made the right decision. We spent forty-five million in this building, four million in the garage, two million in the park.

Smith: Plus the computer center at Cross Creek.

Hairston: Sixteen million at Cross Creek plus the land, and we’re going to spend about ten million dollars building roads and whatnot out there before too terribly long.

Smith: Do you feel like you’re in a position to reflect a little bit about the dilemmas of business recovery generally, small business, large business in the area from where
you’re sitting, involved in the financial sector? Everybody’s plugged into that who’s thinking about recovery.

**Hairston:** Well, the popular thing to say is that our issue is insurance, but it’s really bigger than that. Why does insurance become less available and get more expensive? Because of risk. Right? And the outside world believes it is an unduly high risk to live and operate here. Only time and hurricanes not whacking us, like what just happened, those kind of things are what builds confidence back. The risk profile comes down; the costs come down. That’s an issue. The biggest issue for small business is the cost of labor. Labor’s gone up 20 percent since the storm. The cost of living’s gone up 20 percent since the storm. Businesses pass those costs along to the consumer. So ultimately what it means is the value of your dollar has declined. So the overall challenge to South Mississippi is a buck doesn’t go as far as it used to go for the people living here. That can’t continue that way. It’s got to get cured, and the way it gets cured is employment continues to get higher and higher as a percentage, which is very good here. It’s getting better with time. It’s excellent in Jackson County.

**Smith:** Is this compared to the national, which is—

**Hairston:** Really, we actually have better unemployment than the rest of the country now.

**Smith:** Right. So we’re doing better.

**Hairston:** We’re doing better; we’re doing good.

**Smith:** Probably still construction—

**Hairston:** We just need outstanding---

**Smith:** Right.

**Hairston:** We just have to be excellent because we’re fighting the last three years. We need to have no hurricanes of any magnitude, critically. If Gustav had come ashore right here and been a Katrina, I just don’t know what we would have done. Every time it happens, it’s longer to recover, and also just the wear and tear on your people. I mean, weren’t you weary this week?

**Smith:** Certainly.

**Hairston:** Tired.

**Smith:** Anxious.

**Hairston:** Anxious.
Smith: Upset.

Hairston: People won’t deal with that too many years before they finally say, “I’m just going to move to Birmingham.” And so we have to guard against that, that weariness. That’s why we need no storms. It’s such a junction of risk and quality of life that the Gulf of Mexico is. It’s what makes this place wonderful, and it’s what makes this place terrible, all at the same time.

Smith: But you need ports.

Hairston: You got to have ports.

Smith: And you need recreation.

Hairston: You got to have it. I mean, I love going out there and catching yellow fin tuna a hundred mile out. I just love it; I love it. I caught eight hundred pounds of yellow fin tuna the week before the storm; took friends out; took clients out; had the best time. And then the next week, the storm’s trying to kill you; the water’s trying to kill you. And you just have to prepare for it. But right now, I don’t have any fear of a hurricane for this company at all. I know we can handle it. I know we can handle it. I fear the community being able to handle it. The biggest risk to our company being here is the community’s confidence in itself. And this is blunt, but in times like we’re in right now, and at this stage of the Coast, we can ill afford to have poor leadership. And we are tolerating unacceptable degrees of leadership in our local, elected government. And if we’re going to fully recover, that’s got to change.

Smith: Can you—I think I know what you’re talking about. You’re (inaudible) the City of Gulfport. (Inaudible)

Hairston: But I mean, you have to have excellence. And we have to have public and private partnership.

Smith: Let me ask you to think a little bit about some of the things that have popped up here lately about our recovery. We’re three years out, and having quite an internal debate about particularly blue-collar housing or affordable housing.

Hairston: Yeah. Workforce housing.

Smith: Workforce housing. And the City of Gulfport has gotten kind of famous for every project that’s proposed is back-burnered or nixed. Can you talk to me about that? The figures, if you try to explore this at this point in time, you discover different estimates of the degree of the problem that we’ve got. From your perspective, what do you see?
**Hairston:** We are not struggling like we did in 2006, but we still are struggling to have enough people. We just can’t hire enough people. For a while we actually moved three hundred jobs to Baton Rouge because we just could not fill them at any price because there weren’t enough applicants. But that’s gotten a whole lot better, and we’ve moved almost all those jobs back. But the affordability of housing is absolutely a direct correlation to that. And when you’re a homeowner, and you’ve been able to be a homeowner for a long time, as I have—but a big chunk of the population never owns a home. They don’t want to own a home. They may say they want to, but they really don’t want to save enough money. To them, they’re not ready to commit to save even just five thousand dollars.

**Smith:** Or it’s a big responsibility.

**Hairston:** It’s just tough for them; it really is. They want to be fleet of foot; they want to be able to move around if they want to. For that group of people, you got to have affordable rental property.

**Smith:** Especially young people or very old people.

**Hairston:** Especially young people or very old people. So we’re short on that. We’re short not just on affordable ownership; we’re short on available tenantship, and it’s critical. And we suffer on the Coast. You know what I mean by Nimby [Not In My Backyard]? We got a lot of Nimbys, and if you think about it, I live in Brighton Place, which is a nice neighborhood. And if somebody proposed a quote, unquote “low-rent housing project” next to my neighborhood, I would become a Nimby. OK? Because I don’t want my property value to be affected. I want to be able to sell my house one day, and so you start thinking, “Well, how do you deal with that?” Well, the answer is, many cities and communities across the country have long since realized that you can lay out a city to where you don’t have a Nimby problem anymore. When you go to Charlotte, you have million-dollar homes half a mile or less from affordable housing projects, in some cases very low-income projects, in some cases no-income projects. OK? But the way the City has laid it all out, the property values aren’t affected. I mean, you have parks or berms or things to where when you get off the interstate, and you drive to that nice neighborhood, you don’t drive right through the middle of a neighborhood that has a much lower property value. That’s not because anybody’s elitist. It’s just economics. A house next to a project is going to be worth less than a house not next to a project. So supply and demand begins to ill affect those homes.

**Smith:** Or the size of the development.

**Hairston:** Or the size of the development.

**Smith:** You’ve got quadriplexes scattered throughout a community.
**Hairston:** That’s right. It’s the concentration of those that begin to mark a particular area of town. Other areas of the country have also realized that people who believe they don’t want or can’t own a house actually can if it’s just structured properly. And at the point they own it, they have skin in it, suddenly they begin to take care of it a whole lot better. And they don’t write graffiti on the side of the wall because it’s their wall. But that requires innovative thought. It requires exposure to the rest of the country. And if you’re like me—I’ve been a Mississippi boy my whole life—I got to get out and go see what happens elsewhere before I think I know everything. And your leadership has to go and do that. But there’s a lot of land here. I mean, you only have to drive, Pat, a few miles before you’re in the country. OK? So there’s plenty to lay out here correctly so we don’t have that problem. You also have about forty-mile-wide beach here that’s got nothing on it. OK? You can buy land on the beach right now, *cheap*.

**Smith:** But you can’t afford the insurance.

**Hairston:** But you can’t afford the insurance. But if it’s state-sponsored, maybe you don’t need insurance. And so I think it’s easily—I don’t—it’s not easily solved, but it is creatively solved, and if we don’t, we’re going to have a heck of a time getting people to locate jobs here because you saw what happened at (inaudible), the exact, same reason.

**Smith:** Right. Let me ask you this. Are you very familiar with the way the MDA [Mississippi Development Authority] grant program is run?

**Hairston:** Pretty familiar.

**Smith:** The grant process kind of put rental property toward the back of the line, and people that, for whatever reason, had no insurance at all, they kind of went to the back of the line. Do you think if that staging were rethought, that in the future, if God forbid, there’d be another disaster like this, if you were looking at another community, you might warn them against staging it that way for the impact on the labor force?

**Hairston:** Well, it’s a good question, but we have to keep in mind how that happened. We were asking for billions of dollars to come to a state that has never paid in more than it got back. Mississippi, since the Civil War, has been a liability, financially, for the rest of the country. That’s just a fact.

**Smith:** Unless you count the people who’ve left here who’ve solved problems.

**Hairston:** Well, that’s a good export, now, but just looking at cash flow, we pay less taxes in the federal government than is given back to Mississippi. Now, what you’ve got is the people paying the taxes aren’t the ones on the receiving end. OK? So it’s not you and me that are the liability.

**Smith:** So we’ve exported a lot of talent.
Hairston: That’s right; we have, indeed. And I guess we’re charging fees for that. But to get that grant money, we had to convince the legislature, the Congress, that it was somewhat, the government was somewhat liable. There was no precedent for them just to give us a gift. And so you had to have a reason why you [the government] want to give us all this money. Sure, we need it, but there were programs out there already for that need. It just wasn’t on the scale required. And so the argument, the only argument that would work was the flood maps were wrong; the five-hundred-year flood line wasn’t the five-hundred-year flood line, and we didn’t require flood insurance for all these people that have now become homeless, and the government has got some responsibility in that, some. Not all, some. And so we want that three billion dollars worth of grant money for homeowners to cover that difference. And generally the hearts of the people in Congress were, “OK. We can accept that.” If we had gone up there and said from the get-go, “We just hurting, and we need help for people that were renting and people that just didn’t have insurance and this and that,” then the argument was easily made in response, “So you want us to bail out a bunch of irresponsible people.” Politically that’s what it sounded like. You follow me? The hope was always that we’d be able to figure out ways to help people beyond just the government money because we knew the problem was there, but you couldn’t sell it. You know? So would I caution people against it? Not if it meant they couldn’t get it. Get the money. Get your people on their feet. But very clearly, I guess what would be better was if I could be king, the program I would write would have been to help the people that put the community back together the fastest, and that includes the renters. That’s the labor; it’s the hourly guys. If they won’t come back, it doesn’t matter about all the homeowners anymore. You got to help both. So practically you have to do what you’re saying, but politically it wasn’t sellable. That’s kind of tragic, isn’t it? But do we know enough now to where Congress would do it? Yeah. Right now we could sell it. But next time it happens, you’re going to have a whole different bunch of politicians up in Washington, not listening to the lessons of the past. So that’s a great question.

Smith: Do you have any reflection on the way FEMA or MEMA worked? I guess the bank is not, other than watching their employees go through FEMA processes or SBA [Small Business Association] processes—you have any reflection about those agencies?

Hairston: I do.

Smith: And what they’ve done?

Hairston: I do. I am not—clearly, mistakes were made, but I remember the meetings where we discussed a cataclysmic event, and I remember the three days you’re on your own. I mean, I remember that. And so FEMA and to some extent MEMA in this state have been much maligned for not being there when the wind subsided, but that’s never been their mission. Now, we can argue whether it ought to be their mission, but that wasn’t their mission, and that was what everybody understood. And so I think
they got beat up unfairly to a large extent, but I’ll tell you what. The amount of money they’ve coordinated spending here, is it bureaucratic? Yes. What with the government is not bureaucratic and laden with red tape? The only criticism, Pat, that I would have of FEMA or MEMA is that they should have been making more decisions on the ground here, not in Virginia and Washington, and not in Jackson, but making those decisions here. Authorize people that you trust to make good decisions, empower them, send them down here, and let them make decisions in the field. You can’t run a war from Washington, and you can’t run a recovery from Washington. You got to run it down here where we’re doing the battle. And that’s greatly slowed down the recovery. Now, if you don’t trust your people, I guess you got to do it the way they did it, but if they trust their people, then they should alter it to allow them to make field-level decisions. But I don’t have any gripes. I think when you’re building comfort stations back on the beach, and you’re saying the FEMA flood plain now is twenty-six feet, so you got to build your potties three stories up, then you want to go, “Well, what dumb-ass thought of that?” I mean, come on. Let’s think about this a little bit more.” That gets frustrating, but you can’t just look at that one thing and then discount all the things they did for us. I mean, all the debris pickup. I mean, think about [it]. How would we have ever done that alone? And so they get the bashing for the things they did poorly, and they really haven’t been, I think, [given] the credit that they really earned for the things they did do. New Orleans? Let’s think about New Orleans. If Ray Nagin and Governor Blanco had done, the week before Katrina, what Mayor Nagin and Governor Jindal did last Friday and Saturday and Sunday—

**Smith:** For [Hurricane] Gustav.

**Hairston:** We wouldn’t have had, we wouldn’t all be waiting on FEMA in New Orleans. We wouldn’t have the images of hundreds of thousands of people piled in the Dome and dead people floating down the street, and us saying the government was at fault. I mean, what happened in New Orleans, happened because nobody really believed it really could happen. What happened to the New Orleans administration, to the governor of Louisiana was what happened to Hancock Bank when we built a [Hurricane] Camille plan and experienced Katrina. They built a Camille plan for New Orleans.

**Smith:** Or a [Hurricane] Betsy plan.

**Hairston:** A Betsy plan.

**Smith:** That was their storm.

**Hairston:** Nobody really believed it could get that bad because nobody had lived through it before, and so I mean, ultimately I don’t fault—I mean, people make fun of Mayor Nagin. I don’t fault him at all. I think he got emotional, and he said some things he shouldn’t have said, but at the end of the day, I mean his heart was in it; they just made the wrong call. If the seven or eight hundred buses had been in place for Katrina, what would have happened then differently than happened? It was a scale
issue. And so yeah. Could they plan better? Yeah. But I don’t think anybody was at awful fault. I think Margaret Blanco took a huge hit for indecision, and I think you can hold her accountable for indecisiveness. A governor has to be decisive, but you can’t hold her accountable for not having a good plan because nobody had a plan. I can’t give you one company on the private-sector side that was prepared for Katrina, really prepared for Katrina. And if the private sector wasn’t ready, then good gracious, how in the world is the government going to be ready? I think they worked hard, and right now New Orleans is coming back. We been in New Orleans five years; we have a four-hundred-million-dollar bank over there now. That’s not a unhealthy city. I mean, the city’s recovering. There’s some good things happening, and the administration of New Orleans at least has to be doing some things pretty good to facilitate that type of recovery. Maybe it’s despite them; I don’t know, but I don’t find them that bad.

Smith: You mentioned that your greatest concern would be with the morale of people, if we would have another major catastrophe. People are tired of the push. I think I mentioned when I came in here that I’m tired of pushing now.

Hairedon: Tired of pushing; tired of (inaudible).

Smith: So with that in mind, what’s your outlook for the future prospects of the community? How long is it going to take us to get over this, to where when we sit down with somebody, the first thing we say isn’t, “How’d you come out on Katrina?”

Hairedon: Is “us” the whole Coast?

Smith: Yeah, the Coast.

Hairedon: The whole Coast?

Smith: Yeah, just think about—

Hairedon: Twenty years.

Smith: Twenty years.

Hairedon: Twenty years. Leo told me in April of 2005, “Get ready for a big storm.” And I said, “Why you feeling that way?” He said, “Well, there’s two reasons. Number one, if you grow up and live on the Coast, and you live a normal lifespan, you’ll see three major hurricanes in your lifespan.” He said, “And I’ve seen two, and I’m getting old.”

Smith: He was speaking of [the hurricane of 19]47 and [19]69.

Hairedon: Forty-seven, Camille, and what turned out to be Katrina. Said, “You’ll see three.” And the second thing is, he said, “People lose their edge, and they stop being
diligent and stop planning when the evidence of how evil things can happen, evil times can come when a storm hits, when they can’t see it every day.” I said, “I don’t understand. Say it again.” He said, “There’s only one piece of property left on the beach in Harrison County that was taken by Camille, and in the loan committee this afternoon, we’re looking at financing an apartment complex on that piece of property. When it’s built, there are no visible signs of Camille anymore except that boat, and three-quarters of the population of the Gulf Coast don’t even know why that boat’s there anymore. What’s a Camille? What is that?” He said, “And that means your guard gets down.”

Smith: He’s talking about the tugboat that used to sit there.

Hairston: The old tugboat, that’s right, the USS Camille. He said, “So I’m getting old, and people are fixing to forget. You make sure this bank is ready. Make sure it’s ready.” And about a month later, I had Chief Pat Sullivan, who’s the head of the fire department in Gulfport, come over, and he took us through a simulated response. We caught all of the people one morning that are in leadership coming into the bank and said, “This building is now destroyed. You are to report to the Holiday Inn banquet room.” “What do you mean?” “It’s destroyed. You can’t come in today.” No warning. Didn’t get to go up to the office and get your hurricane book. “It’s gone.” And we simulated recovering the company, and boy, did we learn a lot.

Smith: So this was just months before Katrina?

Hairston: Four months before Katrina. And we found all these holes and because of, “Well, I’ve got to get this case full of all these codes, but the case was in my office.” “Your office is gone. What are you going to do?” “Well, I don’t know what I’m going to do.” “Well, that’s a problem. Update your plan.” And so we overhauled a lot of those plans four months before the storm. Could have been a bad thing back then. Really could’ve. How did we get to that conversation, Pat?

Smith: Just thinking about the future.

Hairston: Oh, the future.

Smith: Prospects.

Hairston: Oh, so the prospects are, in twenty years, I’m thinking it’ll take—that meant it took thirty years after Camille, for Camille to finally kind of—every time you had the anniversary or the first day of hurricane season, you’d talk about Camille. Right?

Smith: Right.

Hairston: But in general, nobody knew—think about it. I was [six] years old when Camille hit. I don’t know what those guys did. What did Leo have on his mind? I
don’t know. I know now, but I didn’t know then. And so it’ll take them time for that to be forgotten. That’ll be good for us because people will just ignore it as a risk when they come and develop here. But that can be bad when it happens because they weren’t adequately prepared. I worry about that a little bit. I think it’ll take twenty years.

Smith: Twenty years.

Hairston: I think it’ll take twenty years.

Smith: I want you to reflect in two ways. Let’s reflect about the storm and the immediate aftermath, and then let’s reflect about recovery. It could be about the bank, about the community. What’s the worst memory you have in the immediate aftermath of the storm in the first two or three weeks?

Hairston: The worst memory?

Smith: The worst memory.

Hairston: Boy, that’s a good question. The worst memory. The worst memory was walking by that morgue, and the dread of ever seeing Jason nod his head up and down. Even now—this has been almost three years ago—it’s a very black, dark feeling to me, a foreboding feeling of just dread, deep dread. That’s probably the worst one.

Smith: Think again, two, three, four weeks after the storm. What would be the best memory that you’ve got? The thing that, when you look at it, it’s surprisingly positive.

Hairston: There’s a lot of best ones. That’s hard to pick. This sounds goofy, but I can’t tell the story much. I get emotional. But when we were bringing the data center back from Chicago, and those people had been up there for two and a half months, working like dogs, and we had all our people that were scattered on these buses, away from their families, and they were working hard—I mean, working hard, really sacrificing, being gone. Come home; get home at six o’clock; work on their house all night long; catch three hours sleep; get back on the bus and go to work. I mean, sacrifice like in war, sacrifice, no sleep, tired, weary, sick, beat-up. And there was a period of about three weeks where we’d taken that old, blown-out Piggly-Wiggly in Long Beach and in sixty days built an interim operation center. In sixty days, we built a fifty-thousand-square-foot office building inside that Piggly-Wiggly in sixty days. That same period of time, we took our old university, the last building we had in Gulfport and built a data center in it in sixty days. We spent four million dollars, building these two buildings in sixty days, and we were pushing it, working twenty-four by seven. I mean, outrageously expensive investments that we knew we’d never get our money back, but it got our people home. They didn’t have to ride the bus anymore; they didn’t have to fly away. They were home. It was within a very short period of time that both of those projects finished. I can’t remember which was first,
but I’d call them as far as just happiness, it’s a dead even. But we got that data center up; had bought all new mainframe gear, and we’d bought millions of dollars worth of computer hardware to put in it; had it running, ready to go. And the IT leadership coming back on two jets, flying two different paths, with two copies of all those files to load on the host and bring them up, and when those planes landed, that was a big moment. It was like, “We’re home. Everything’s going to be OK now. Everybody’s home.” And some of these guys getting off that plane were just squalling. They were like, “We’re home.” Beat up, the airport’s about gone; the roof is gone, but we’re all finally back home together again. And walking off that plane with those cases full of tapes, and we must have had seventy-five people there, waiting to meet them. And we were happy to have them back. And we had a sheriff’s escort for these cases, and we had the police escort for the others, and we took two different paths. We were not going to drop the football, and got to the data center and loaded those files up, and we had a wall. We’ve still got it; it’s about the size of this wall in the conference room, where everybody who was part of that whole effort to either build that building or work out of Chicago and Atlanta and get it up and operational, everybody signed that wall. It’s probably fourteen feet long and about eight feet high, and we’ve still got it. It’s called the Wall of Fame, and we’re glassing that wall to put in the new operations center we’re building at Cross Creek when that’s built. That’ll be part of the entrance when you first walk in. That was a big moment. And happy is probably not the right word. Maybe pride is the better word. I’m not—

Smith: That’s OK.

Hairston: Happy.

Smith: What are you proudest of?

Hairston: The tiebreaker was when those guys on the buses—I remember going on that bus the day—and we didn’t know when we were going to open it. I remember going on that bus, telling that first bus, “This is the last bus ride.” I don’t remember when it was. It was right before Thanksgiving, I’m pretty sure, like Monday or Tuesday before Thanksgiving. I said, “This is the last ride on the bus. Tomorrow morning you’ll be at the”—we call it the IOC [interim operation center], but they call it the pig because it used to be the Piggly-Wiggly. “You’ll be at the IOC, interim operation center.” And then I was there that morning when they came in. And we built it so fast; I mean, you didn’t have time to, there was no touring. It was, we were hanging the AC [air-conditioning]. We didn’t even take the time to put the ceiling up and drop the AC in these nice, clean vents like you have here. We put the ceiling in, and we dropped the AC. It looks like a Star Wars roofline in there, the bright, shiny ductwork coming down, and they were so happy to get back. It was incredible. That was a big moment. Those were probably the two biggest ones.

Smith: If you think about the recovery from, say, this point where you’re operational again in this neighborhood, what’s the worst thing that you remember? What are the most disappointing aspect[s] of the recovery? Can be of the community; can be of the
Hairston: We’re not building back the Coast as pretty as it could have been, as thoughtfully laid out. Beach Boulevard’s going to look like it did before the storm, and it could have been magnificent. Maybe that’s a bad thing, Pat, but the standard of construction that we’ve allowed could have been something that—and this is not a great example. But what if you said, “Everything’s got to be pastel color. It’s going to look like Bermuda when it comes back”? That’s kind of goofy, but I’m giving the example of it could have been different. When you put a fascia, every fascia on any building you open has got to be pretty. If you look out in downtown Gulfport, allowing these dilapidated buildings to still exist, it’s a tremendous disappointment. We just didn’t have the guts to make that happen, to make that change occur, Coastwide. And that’s disappointing. That’s a lost opportunity. That doesn’t come again. It doesn’t come again. It’s not too late. It’s not too late, and I don’t mean to beat up elected leadership, but when you, if I’ve got to have that job—maybe the best way to say it, my job as CEO of this company is to serve the people that run this company. That’s my job. All this thing about being the head of the company, all that, that’s all crap. My job is to serve, and if you forget that, you start making bad decisions. The people we have serving in office, their whole job is to serve. They’re not leaders; they’re servants. That’s their job. And if you’ve got to have that job either because it’s income, which they don’t pay enough to where I think that’s their “job” job. But if it’s the power or the quotation you get in the newspaper, if that’s what turns you on about that job, you’ll never be as effective as if you’re there to serve your neighbors. Serve them. Like Mary washing Jesus’ feet with the bottle of perfume. Servant. That kind of a heart, then there’s no way possible that you can do as good a job in times like we have right now. Many of them do have that heart, but when you’re truly going to take the servant’s approach, it means you’re not afraid to make decisions that in the long run are good but that will get you voted out of office next time. And we need that kind of character right now from people that don’t want to do it. And people like you and me don’t want to run for office. It’s a terrible tragedy, but nobody wants to put up with it, or they don’t have time to do it. And so you end up with people wanting to be in office because they like the power, and they’re terrible leaders when they want the power. Doesn’t matter Democrat or Republican, conservative or liberal, it doesn’t matter. If they’re not there to serve, then they occupy somebody else’s chair.

Smith: Let me get you to reflect on the most surprising, positive thing about recovery.

Hairston: That’s easy. The image of Mississippi has maybe forever been improved. We were identified with the break-away States of the Confederacy as the wealthiest state in the South before the [American Civil] War.
Smith: That’s the Civil War, for somebody (inaudible).

Hairston: Civil War, that’s right, that’s right. This was sort of the center of all that was good about the South and bad about some of the issues that the South, unfortunately, embraced, slavery being the worst of them. But after the Civil War, our state was punished; I mean punished, deliberately punished. And then came the economic collapse of the 1890s, and then came World War I, and then came the malarial plague, and then came—I mean, just, it was an endless trial of things that was a problem.

Smith: The Great Depression.

Hairston: The Depression finally. And then about the time we began to make an economic recovery, we had the Klan, the civil rights abuses that occurred in the [19]40s and [19]50s and [19]60s, and then the FBI is down here, and we’ve got the kids [Chaney, Goodman, and Schwerner] that were found in the levee. And it’s like, how many mistakes can you make here in a row to the point that if you think about the status of Mississippi in the early [19]70s at the end of the Vietnam War, how could it be worse? I mean, socially, economically; I mean, you name it. We were in the ditch. And it takes a long time to dig up from that end of the cellar. And even now, the worst in teen pregnancies, the worst in infant mortality, the worst, and worst, and worst. Everything’s worst. And then to go through Katrina and hear people say, “Boy, Mississippi did it right. What an amount of character these people have. How resilient must they be?” I didn’t see that coming. I knew that about this state from the whole state; I knew that about them because I’m from here. But I didn’t expect that byproduct, and it was very rewarding, very comforting that we could be shown for the type people that really do live here. If we could just keep that upward momentum and not look back, what a wonderful place this could be. And it’d take thirty or forty years to get there, but it absolutely could happen. That would be the answer to that.

Smith: Is there anything that we should have talked about that we haven’t talked about?

Hairston: I don’t think so. Maybe the only, maybe a good topic would be, as bad as Katrina was, there were some wonderful gifts out of that experience. The storm didn’t give them to us. I think that the spirit of the people did, but we are all bound together, those of us that went through it. We’re bound. I think people here care about each other more than they did before the storm. I think that even the most cynical heart is a little bit more willing to help other people than they were before the storm. I think we’re more giving people than we were before the storm. By the time the economics are all settled, the net present value, on a financial basis, will be positive of Katrina. I can think of an awful lot of good that came of it. We’re going to have a—gaming is now a much stronger industry than it was before. Whether you like gaming or not, it’s stronger, and it’s better for us than it was before. The recreational facilities that our kids will enjoy are better than we would have had before the storm. That marina out there and the one in Bay St. Louis, in Pass Christian, in Long Beach, in Biloxi, in
Ocean Springs, in Pascagoula, are all far better facilities than they were going to be before. Look at the new schools getting built. I mean, have you been to Pass Christian High? Have you been to Hancock High? Never would we have had facilities like this before. Henry’s building the new facility out there on the county farm. I mean, the poorest of our communities are getting wonderful facilities for the people, both community and education. None of that would have happened without that storm occurring. And so I’m not glad it happened, but we got to realize we can make hay while the sun is shining. There’s some good things that can still happen if we’ll kind of pull together a little bit and focus on it. One of the other good things that happened was—and I’m in the private sector as a business person, so I may be biased. We had all these fractured chambers [of commerce] that didn’t work together, that didn’t spend as much time. We had the Gulf Coast Chamber that was pulling them together.

Smith: Speaking of chamber of commerce?

Hairston: Right. But you didn’t see a common voice for the business community that was Coast wide. We have the business council now that provides that. We never could have pulled that off before the storm. We did it out of necessity. We were starting to do that, but it was so politically charged, it looked like a bunch of elitists trying to have a good-old-boys club. Now, the business council is actually—I mean, it’s functioning. I mean, we’re able to get legislation passed beneficial to the State and to this part of the State because everybody’s got one voice, one voice. Hope we can keep that. But those are all benefits that I don’t think would have happened otherwise. There’s always a silver lining, always, but you got to find it. Sometimes it’s easy to see; sometimes it’s hard to see, but there’s always one. That’s all.

Smith: OK. Well, I appreciate your being generous with your time.

Hairston: Oh, it’s an important topic.

Smith: And we appreciate you helping us out by documenting our experiences.

Hairston: I hope one day down the road, somebody might enjoy that.

Smith: I’m sure they will.

(end of interview)