If they paid college professors what they pay heads of industry, community bankers may have never met C.J. Pickering. And that would have been a shame, because while some suggest you need to be a rocket scientist to play the financial markets, most agree you just need a good guide—someone to show you the trends and help you figure out a long-term, stable strategy for a solid return.

For the past 16-plus years that whiz-kid investment adviser has been Pickering, president and CEO of ICBA Securities, ICBA’s bank investment management subsidiary. In January, the ever-affable Pickering announced his retirement as ICBA Securities’ chief, which formally begins after ICBA’s National Convention in March.

“C.J. is a teacher by birth. He has, I think, raised the experience and knowledge of bankers about managing portfolios to a level that might not have been possible without ICBA Securities,” says Robert Gulledge, chairman, president and CEO of Citizens’ Bank Inc. in Robertsdale, Ala. “He has that unique quality of being able to reduce the most complicated issue to the simplest possible denominator. He is very easily understood.”

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As a banker, I admired C.J. and the outstanding job he did for ICBA Securities for over 15 years. My admiration for C.J. grew significantly when I had an opportunity to work with him as a colleague in my current role,” says ICBA President and CEO Camden R. Fine. “C.J. is one of the most accomplished and outstanding leaders I have ever met. He is the father of ICBA Securities. He is one of a kind.”

Gulledge, who also serves as chairman of ICBA Securities, says he first met Pickering at a banker’s portfolio investment seminar. He was so impressed with Pickering and Jim Vining, president of Vining Sparks, ICBA Securities’ clearing broker, that he quickly signed up for their assistance. Since then, Citizens’ Bank’s portfolio has been ranked as one of ICBA Securities’ highest performers. (Banks working with ICBA Securities have portfolios that yield 25 basis points more than their peers’, on average.)

Part of the reason for his $95 million-asset bank’s strong showing, Gulledge says, is the industry analysis Pickering and Vining Sparks’ 116 registered representatives provide to community bankers. “The information, offered quarterly to participating ICBA banks,” he says, “provides a yardstick of performance for community banks to help estab-
lish benchmarks and offer recommendations to help improve standings.”

**Building Something Great**

To be sure, ICBA Securities has proven its worth tenfold to community bankers. But the association’s decision in 1988 to form a service corporation to provide its members portfolio management assistance was anything but certain, recalls ICBA Services Network President and CEO Gary Teagno.

“Launching ICBA Securities wasn’t easy and there were many doubters, but bankers told us it was critically needed and the regulators agreed,” says Teagno. “C.J. traveled tirelessly to build a company that works today with more than 1,500 community banks and can boast a spotless regulatory record for 16 straight years.” Since 1990, ICBA Securities has grown an average of 17 percent compounded annually.

Pickering, ever the Southern gentleman, downplays his contribution to the community banker-guided corporation’s success. He credits the basics of supply and demand as the reason for ICBA Securities’ success, rather than his knack for numbers, his meticulous honesty or his easygoing personality in convincing bankers to place their trust in him.

The traditional providers of investment products and support—correspondent banks—were pulling back on offering such services to anyone other than members of their holding company, Pickering explains. At the same time, more complex products, notably mortgage-backed securities, were being introduced. There was a concern that new market entrants could take advantage of uninformed bankers, he says.

Those compelling forces along with some words of encouragement from “investment guru” Owen Carney, formerly of the OCC, convinced ICBA’s executive committee to enter the fray. Pickering’s background as former vice president at the Federal Reserve Bank of Dallas and a staff member for the Federal Reserve Board gave him firsthand knowledge of the regulatory environment. Coupled with a community bank expertise enhanced during his tenure at Vining Sparks, which specialized in community bank investments, Pickering was a natural for ICBA Securities’ top spot, says Ken Guenther, ICBA’s top staff executive when Pickering was hired to lead ICBA Securities.

“He was a most unusual man—enormously able technically. Totally astride of his business, which was helping banks invest their funds,” says Guenther. “But what made him so unusual was his marvelous teaching style and enormous outreach to thousands of community banks. He probably had more one-to-one connections with community banks across the ICBA than perhaps anyone else in the association.”

ICBA Securities was licensed in 1989, and Pickering immediately began drumming up community bankers to adopt the new member service corporation. He told the corporation’s board that he would promote the new company with a special charter member sign-up campaign from September through October. He assured his banker board that 100 brand new accounts would be the result, a feat unheard of at the time.

“Vining told me I was crazy—that I would be eating crow,” Pickering recalls. “Five business days before the end of October we opened our 100th account. In the next five business days we opened another 87.

“Community banks just wanted to show their support for this brand new ICBA subsidiary,” Pickering says matter-of-factly. “They didn’t know us that well, but they were just interested in making sure we had a good start. It was amazing.

“The help of community bank banking associations can’t be overestimated in the growth and acceptance of ICBA Securities, as 35 associations now exclusively endorse ICBA Securities,” Pickering says.

As to his own contribution, Pickering proudly mentions his “small part” in teaching community bankers new concepts about managing their institutional portfolios. “We’ve done about 500 educational events for over 15,000 bankers, plus the 181 articles published in Independent Banker,” he says proudly. “We put a huge amount of energy into education. It’s always been non-commercial.”

Community bankers, he says, mainly want to know how to build the most effective investment portfolio, how to analyze different investment options and what they should know about differing reporting systems available.

And as the world continues to progress there will be new avenues of delivery, including online tutorials, which Pickering says have expanded educational opportunities further because bankers won’t have to leave their offices to participate.

The power of ICBA Securities is the information it can provide
to the busy CEO or CFO at a community bank who doesn’t have time to study every market nuance and opportunity at length, Pickering says. “These guys have other jobs to do. They’re out there making loans, trying to collect when a loan defaults. They have personnel. They have boards to deal with. If the guy doesn’t show up to mow the lawn they do that as well.”

“Our job is to wade through the investment and asset-liability side, condense it, and help bankers know and understand the essence of what is expected.”

Passing the Torch
So what’s next for the pioneer who has left an indelible mark on one of ICBA’s most successful service corporations? Visits with the grandchildren and, hopefully, a few weekends at home, jokes Pickering, who has reportedly spent about 40 percent of his weekends on the road traveling for ICBA Securities.

“It’s time. My daughter and son-in-law are in Austin, and my son, daughter-in-law and granddaughter are in Atlanta and my parents are in Arkansas. Because I’m on the road I don’t get to see them very often. A primary impetus [for retiring] is I want to spend more time with my family, but I am really going to miss my job [ICBA Securities]. It fits me like a glove,” he says, grinning broadly.

But community bankers need not worry about what comes next. Pickering has left the service corporation in good hands—in those of Jim Reber’s. Reber has earned both a CPA and a CFA, and a reputation as a first-class instructor.

Asked what Pickering will miss most, he says without hesitation interacting with the hundreds of bankers he’s come to know and respect over the years. “I have told everybody, ‘Anytime you need me to do anything, all you have to do is call and I’ll be there.’”

It seems like school is never out of session for good for C.J. Pickering. [8]

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