

# Citizens Bank: FIERCELY INDEPENDENT *for 75 Years*

**E**stablished in the wake of the Great Depression in 1934. Sold to a statewide bank holding company in 1973. Purchased back into local ownership in 1982 by a family devoted to the Tri-Cities region. Now one of the 25 largest Tennessee-based banks.

Since being founded in the only Tennessee county without a bank 75 years ago, it has been quite an eventful ride for Citizens Bank.

There's much lore and intrigue dating back to the 1934 beginnings of a meager bank founded in Carter County by eight civic-minded businessmen. The town of Elizabethton had been without a bank for almost three years in the throes of the Great

Depression. Following the stock market crash in 1929, the only two local banks – Holston National Bank and First National Bank – merged in an effort to remain solvent during those catastrophic economic times. But the merged bank failed in 1931.

## THE ORIGINAL THREE LEADERS

Led by physician Dr. E.L. Caudill Sr. and attorney Raymond C. Campbell, the founders raised \$75,000 in capital to start the new bank. The group hired an experienced young banker from Joplin, Mo., named R.C. Turrentine as cashier to run the day-to-day operations of the fledgling bank. Citizens Bank opened its doors for business with four employees on Nov. 5, 1934, at 601 Elk Avenue, the previous location of the defunct First National Bank. It didn't take long for customers to flock to the bank, and by the end of 1935, the bank had grown six-fold to more than \$460,000 in assets.

Dr. Caudill, Turrentine and Campbell

comprised the bank's leadership team for the first three decades, each having a turn as president for spans of 9-11 years. A surgeon, Dr. Caudill had also helped found the St. Elizabeth Hospital in the 1920s, and was closely affiliated with Citizens Bank for 43 years. He was the bank's first president from 1934 to 1945, and served as chairman of the bank's board of directors from 1945 until his death in 1977. Turrentine was elevated from executive vice president to assume the bank's presidency from 1945 to 1953. Campbell, respectfully referred to as "Judge Campbell," was elected as a Circuit Court Judge in 1950, and became the bank's third president upon Turrentine's death in 1953.

On the heels of World War II, the bank moved across Elk Avenue to a larger building in 1945. Under Turrentine's leadership, the bank grew slowly but steadily with very conservative lending practices, and provided financial resources that were instrumental in Carter County's economic growth.



**606 Elk Avenue Office** – Citizens Bank only location for 21 years. The Elk Avenue office became a branch location when the headquarters moved to 300 Broad Street in 1966.

**300 Broad Street Office** (Today) – The bank's current headquarters in Elizabethton. An ambitious two-year expansion project that added two floors was completed in 1988.



## A TRANSITION TO THE LAPORTE ERA

An energetic young FDIC bank examiner-turned-banker named Joseph LaPorte Jr. caught the attention of bank president Campbell and board chairman Caudill in the 1950s. One of four children of a Sicilian immigrant, Joe LaPorte grew up in the Carter County community of Stoney Creek. Always enterprising, Joe had a paper route at age 10 and worked at a local rayon manufacturing plant while attending Elizabethton High School. He served in the Air Force for two years during WW II, and later earned a B.S. degree in accounting from Steed College in 1950.

*LaPorte excelled as a banker in his home community, and was soon recognized as an up-and-coming leader within the bank.*

Following college, he worked for East Tennessee Supply Co., before joining the Federal Deposit Insurance Corporation as a bank examiner for a period of three years. He cut his teeth as a banker with Fountain City Bank near Knoxville for about a year before joining Citizens Bank as a loan officer in October 1956. LaPorte excelled as a banker in his home community, and was soon recognized as an up-and-coming leader within the bank. In addition to his banking duties, the charismatic



Dr. E.L. Caudill



Raymond C. Campbell



Joe LaPorte Jr.

LaPorte brought his vision and energy to civic endeavors and soon became Judge Campbell's heir apparent.

In 1962, LaPorte was named the fourth president of Citizens Bank, and effectively blended his more assertive and progressive views of banking with those of founders Dr. Caudill (board chairman) and Judge Campbell, who continued on as vice-chairman of the board until his passing in 1971.

## EXPANSION IN CARTER COUNTY

Citizens Bank's assets were \$5 million when Joe LaPorte Jr. took the helm. Under the new president's leadership, the bank began a period of expansion and growth.

The bank made a defining statement about its future with the construction of a new main office, located at 300 Broad Street in Elizabethton. Designed by Godwin and Rawls Architects of Johnson City, the building opened for business on March 10, 1966, and was heralded as one of East Tennessee's most contemporary and modern office structures. With two floors, including a basement level, the office was noted for its exposed exterior

steel frame, large bronze glass windows and the interior's soothing blend of fabrics, carpeting, wall coverings, hardwoods and diffused lighting. The Elk Avenue office remained in operation as a branch for another 30+ years, but the new Broad Street office underscored LaPorte's intention of providing customers with superior banking services and up-to-date facilities.

The bank's assets now exceeded \$13 million, and LaPorte continued to guide the bank to increased growth and profitability. Citizens Bank rapidly expanded in Carter County through the remainder of the 1960s and 70s, with more new offices:

- 1970 – Hampton Office
  - 1973 – Bemberg Office
  - 1978 – Stoney Creek (later closed in 1996)
  - 1981 – Tri-County Office (on Erwin Hwy.)
- represented the bank's initial efforts to acquire clientele from Johnson City. At that time, banking regulations prohibited expansion into other counties, so this location near the convergence of the Carter, Washington and Unicoi county lines was as close as the bank could get to the much larger Johnson City population base.

Carter County grew and so did the bank. The increased number of offices paid off, and by 1980 Citizens Bank was approaching \$50 million in assets.

## A SECOND CHANGE AT INDEPENDENCE

In the 1970s a new trend took hold in the banking business. Community banks were beginning to align with bigger banks under the premise that having greater financial

**300 Broad Street Office (1966)** – The bank's headquarters moved to 300 Broad Street in 1966. The new state of the art facility was designed by Godwin and Rawls Architects of Johnson City and was noted for its contemporary design.



resources would be a good thing for the communities and the customers served by the smaller bank. In 1973, Tennessee Valley Bancorp – the parent company of Commerce Union Bank headquartered in Nashville – purchased Citizens Bank’s assets. The name and local leadership of Citizens Bank never changed, but LaPorte became disenchanted with Commerce Union Bank’s management philosophies.

“The people in Carter County and Elizabethton prefer to do business with local people. They just don’t cotton up’ to the idea of dealing with bankers in Nashville who care nothing about them,” LaPorte was quoted as saying in a 1984 newspaper article.

In 1982, LaPorte began formulating a bold plan to actually repurchase the bank’s assets. Along with his wife Katherine and four sons – Joe III, Sam, Chris and Stephen – the LaPorte family formed Citco Community

and progressive banker grew to statewide proportions after his family regained control of Citizens Bank. Also, under “Papa Joe’s” direction, Citizens Bank became nationally recognized for its exceptional performance.

Joe LaPorte Jr. and his wife, the former Katherine Isaacs, were indeed proud parents. All four sons excelled professionally, with Chris and Stephen migrating to Texas to become executives with the Government Securities Corporation. Sam became an attorney in Elizabethton, and has been a Citizens Bank board member since 1992. Joe III, who had joined the bank in 1979, was groomed as the next president after the bank’s buyback was completed. He became Citizens Bank’s fifth president in 1985 at the age of only 29.

Papa Joe’s banking and community impact can’t be measured. But he also left a lasting imprint on his employees, for whom

*Papa Joe’s banking and community impact can’t be measured. But he also left a lasting imprint on his employees, for whom he exhibited great trust and affection.*

employees had similar experiences that made us feel like part of a family?”

Joe LaPorte Jr. passed away in September 1988, while still serving as Chairman of the Board. He succumbed to cancer at the much-too-young age of 63, just two months before the completion of an ambitious expansion and remodeling of the bank’s Main Office, which he spearheaded. His name is synonymous with community projects throughout Carter County, and his inimitable leadership style and passion for life are etched in the memories of those who knew him.

In 2006, Joe LaPorte Jr. was posthumously recognized by the Tennessee Bankers Association as a “Leader in Banking Excellence,” and he is honored as a part of a permanent exhibit in the TBA’s office building in Nashville.

### **CARRYING THE TORCH FORWARD**

The bank’s momentum of geographic expansion and asset growth continued to escalate when Joe LaPorte III assumed the bank’s mantle of leadership. Although admittedly more reserved than his gregarious father, Joe III commands wide respect as a smart, savvy and strategic leader.

Government deregulation of banking in the late 1980s allowed Citizens to grow outside of Carter County. The bank has blossomed as the leading independent bank throughout the Tri-Cities region, with the largest share of deposits in a five-county area, behind only super regionals First Tennessee and Regions.

In rapid succession, Citizens Bank strategically purchased existing banks,



**Father- Son Legacy (1984)** – Joe LaPorte Jr and Joe LaPorte III featured in 1984 at the time of the bank’s 50th Anniversary.

Bancshares Inc. In October 1982, the newly formed holding company reacquired full control of Citizens Bank and its \$64 million in assets for a price tag of \$8 million.

The acquisition of a relatively small bank from a large banking corporation is very rare. But with the successful gamble completed, Citizens Bank has been totally focused on community banking ever since.

### **THE LEGACY OF “PAPA JOE”**

Part conservative banker, part community champion, part risk taker – but all business – Joe LaPorte’s reputation as an innovative

he exhibited great trust and affection. Shirley Shell, current bank Executive VP and Branch Administrator, joined Citizens Bank in 1973 as a note department employee. She recalled, “I had worked at the bank for only about six months, and Mr. LaPorte wrote a letter to my parents that praised my work. I remember how proud they were of me, and how important that letter was for me gaining confidence. He was always doing meaningful acts for employees, so Mr. LaPorte and the bank had my loyalty from the very start of my career. And obviously, many other



**Kingsport Train Station** – Listed on the National Register of Historic Places, the old Clinchfield Railroad Station was acquired by Citizens Bank in 1995 and is today home to their downtown Kingsport office.

constructed new offices and expanded services:

- 1992 – Expanded into Kingsport with two offices.
- 1993 – Expanded into Johnson City. Also, established Small Business Resource (SBR) subsidiary, and earned U.S. Small Business Administration Preferred Lender status.
- 1995 – Added two offices in Kingsport.
- 1999 – Established Citizens Investment Services Inc., a brokerage subsidiary affiliated with Raymond James Financial Inc.
- 2000 – Acquired Twin City Bank with offices in Bristol, Tenn. / Va.
- 2004 – All offices received a “brand makeover” with updated logo, standardized identification signs, ATM kiosks and directional signs; Twin City Bank was re-branded as Citizens Bank.

### OLD AND NEW TALENT SUCCESSFULLY BLENDED

The bank’s outreach into new markets and expansion into subsidiary businesses such as brokerage, finance and mortgage required attracting and retaining talented bankers. Consistent with Citizens Bank’s

heritage, many of these talented employees who came aboard have stayed with Citizens and continue to exhibit strong loyalty to the bank and its customers.

One key addition to the management team was Bill Dudney, who was named as the bank’s sixth president in 1995. Dudney spent 18 years with First Tennessee before joining Citizens Bank, and today he works closely as a strategic partner with Joe LaPorte III, who retained the titles of Chairman and CEO. Dudney also complements LaPorte’s Carter County notoriety by being widely recognized and civically active in the bank’s growth markets.

### 75 YEARS ... AND GROWING

There is much to celebrate about Citizens Bank’s rise to statewide banking prominence from such humble beginnings 75 years ago. However, by practicing its tradition of “keeping priorities in order,” the bank has chosen to hold the anniversary hoopla to a minimum, especially considering the current tough national economic climate.

As he looks back over the bank’s winding road to success, Joe LaPorte III conveys great pride in its accomplishments and to his personal family ties.

“I have been privileged to enjoy a career that is so much more than just a job,” reflects LaPorte, who joined the bank in the late 70s after graduating from the University of Tennessee. “Learning banking and working alongside of my father in my hometown has meant a great deal to me personally. But our ability to expand and help so many people throughout the Tri-Cities

while maintaining a family atmosphere within the bank is even more fulfilling.”

Today, Citizens Bank boasts assets of more than \$650 million with 12 full-service offices and 150 employees in the cities of Elizabethton, Johnson City, Kingsport and Bristol. True to its founders’ conservative philosophies, Citizens Bank is considered extremely well capitalized with strong performance by current FDIC standards.

“I couldn’t be happier than to be with such a solid, progressive-minded bank that has withstood the test of time,” commented bank president Dudney from his Kingsport Train Station office. “Trust is so critical today, and our customers feel confident about their bank and really appreciate their bankers.

“I am also proud to be part of a locally owned organization that gives so much back to our communities,” added Dudney. “Citizens Bank has all the ingredients in place to continue providing financial and civic leadership throughout the Tri-Cities region for, let’s say, at least another 75 years.”



Joe LaPorte III



Bill Dudney



**Citizens  
BANK**

**75 YEARS**  
1934 • 2009

**Bank your own way.**