

Q & A with Jack Whitlock on Retirement

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The United States was knee deep in the Vietnam War and Nixon and Robert Kennedy had both declared their candidacy for President and Martin Luther King had recently been assassinated while greeting people in the courtyard of the Lorraine Motel in Memphis. It was 1968 and Jack Whitlock would make his initial foray into bail bonds in Kansas City, Missouri.

Five states, seven kids, 15 grandkids and 37 years later, Jack decides to retire. We caught up with Jack in Zionsville, Indiana where he and Annette still keep a home, to ask him about retirement, golf, Elvis and the future of commercial bail.

ASC: Why Bail?

JTW: I had an insured that was in the business I would visit from time to time and in doing so became infatuated with the bail. I was not really enjoying the insurance business as the company I was representing would keep dumping new agents on top of me which limited my growth and income. I was looking for something where I could be independent. When the opportunity came to take over a bail agency I grabbed it.

ASC: Tough hours for someone trying to raise seven kids, five under age five, how did you do it?

JTW: The busy time for a retail bondsman is usually when the courts open in the morning, and after 5PM when people got off work, this allowed me time to assist Annette, and when the boys got older to attend a lot of their sport functions. I did wash a lot of diapers in my time, kids today are lucky with the disposable ones.

ASC: What was waiting for you in Memphis?

JTW: The operation in Memphis was a couple of years old when I took it over. The general agent was having a problem with the local agent dipping his hand in the till. I went down to look it over and saw a great deal of opportunity. There were only two other offices in operation at that time, and one was property. I started calling on attorneys and stressing the ability to make bonds in other states through the company's other agents. I got in good with several of the leading attorneys by getting clients out in areas that the competition couldn't. They began passing the word and I soon had a pretty good attorney base.

ASC: Did you ever see Elvis in concert?

JTW: I took the family to see one of his last concerts in Memphis. By that time he was really bloated and wearing that ridiculous leather suit with the bell bottoms. Elvis was God in Memphis and he always helped out the sheriff and the local politicians.

ASC: What was the bond schedule in Memphis during the 70s?

JTW: In those days you had to write volumes of bonds to make any money. The majority of the bonds were less than \$500. A \$10K was generally the standard on drug bonds. If they were over \$10k, I had the inside track, as my main competition for them wrote for Resolute who wouldn't let their agents write over a \$10k. I can remember writing a murder bond for \$500 once. Also I remember Ed Morrison, an agent of mine and I writing 67 bonds one Sunday morning, not one of them over \$500.

ASC: Have any memorable apprehensions?

JTW: Got an early taste of the old south when I sent one of my local agents, a black fireman who worked part time, down to some small county in Mississippi to bring back a skip that the Sheriff was holding for me. The Sheriff threatened to jail my agent and called and raised Cain with me for sending a black guy down. The locals used to like to run to Chicago, and I remember plenty of hairy times picking them up in the middle of Black Panther country. The guy who ran the Cook County fugitive department was a prince, but he would tell us that he couldn't send an officer to make an arrest because if the fugitive had any money, they would just take it and let the guy go. So he would take a copy of our surrender for his file and tell us to go pick him up and get our cans out of town, but if we ran into trouble call him. His last warning was to "keep your powder dry". I had a wild trip to Honduras one time also, I had to laugh at the customs guy who asked if I was carrying a weapon. When I told him no, he immediately tried to sell me one.

ASC: What is your policy on working with your spouse?

JTW: I never considered asking Annette to work in the retail office. Our kids at that time were all pretty young so she needed to be home for them. She did finally go to work at their school which meant she

could go home when the kids were let out of school. Annette did run our licensing department at Underwriters when we first opened.

ASC: Is Enid, Oklahoma really the “Wheat Capital of the World?”

JTW: My most regrettable move was to Enid, Oklahoma, nothing but wheat and wind. It would clog up the swimming pool filters with all the wheat chaff. Thank heaven we were only there a little over a year before going to Dallas.

ASC: Do you remember the first agent you ever recruited.

JTW: First agent I ever put on was Ralph Lewis in Jackson, Tennessee.

ASC: How did Mr. Lewis work out?

JTW: A great guy, his brother was the Sheriff at the time. It became a very profitable relationship for over 20 years.

ASC: What is the first thing you look for when dealing with a prospective agent?

JTW: I was mostly putting on agents in small towns in Tennessee, Mississippi, and Arkansas. I usually went to the local sheriff to see if he had a deputy that had just retired, or was soon going to be retiring, or if he had someone else he could recommend. It paid for the Sheriff to like who you were putting on, for obvious reasons.

ASC: If electronic monitoring was available when you and Annette were raising your kids would you have signed up?

JTW: I broached this question to Annette and she answered with an enthusiastic, yes. After they got older we were the opposite. We'd wonder if they would ever move out permanently. It seemed they were all like yo-yo's, move out, and move back in.

ASC: Toupees - vanity or sun blocker?

JTW: Vanity got to me as the male patterned baldness set in. One of my agents was wearing a toupee and talked me into getting one. This was in the days of long hair, polyester and bell bottoms. After we moved to Enid, one of those Oklahoma gusts blew it off my head, and as I chased it down Main Street, I quickly decided that I would let nature take its course.

ASC: Dallas must have seemed huge compared to Enid. Is it true you ran the largest bonding company in Big “D”?

JTW: I was used to Dallas by the time we moved there. It was a real pain to run, as I had 70 employees in that office. Dallas was very labor intensive, as we ran three shifts of underwriters, bond runners, check in people, etc. We always had 6 to 8 fugitive people employed. At that time they were paid \$50 for a misdemeanor and \$100 for a felony, and did a good job picking them up. Things have changed haven't they?

ASC: You are a founding member of PBUS. Was there anything memorable about that first meeting:

JTW: The most memorable thing to me about the first PBUS meeting was meeting Celeste King in the Tampa airport. It was also the first time I was to meet a number of others, who I had talked to by phone and made bonds for, but had never met face to face. John Gilbert, Harvey Childs, Armando Roche and Gary Williams are a few that stick in my mind. But, I always thought the greatest thing about PBUS was the opportunity to make contacts with other agents from across the country. I found it to be of great benefit in seeking help to make bonds or find a skip.

ASC: What's your favorite golf course?

JTW: No doubt, Pine Valley in New Jersey. Eats my lunch, but what a great experience.

ASC: What was your handicap in 1970 versus today?

JTW: In 1970 I hadn't been playing much, as the kids were all little, and I really could not afford it. But after a couple of years in Memphis, I was able to join Colonial CC, and by 1975 I was playing to a 9 or 10. If I had today's equipment, it would have been great. I presently carry a 14 handicap here in Indianapolis, and a 13 at my club in Tucson. Thank you Eli Calloway.

ASC: Who got the good end of the deal when Allied Fidelity bought your general agency in 1982?

JTW: In the short run I felt short changed. I was 50 years old, still had kids at home, and suddenly out of a job, without a chance of collecting the balance of the monies owed me from the sale. In the long run it's obvious I came out smelling like a rose. Bill and I became partners, my good friend and mentor R.W. Johnston sold us American Surety Company, and I have made enough money to sit back and enjoy the rest of my life.

ASC: What was your hotel and airline of choice as you travelled the U.S. for AFIC?

JTW: I used Allied's planes around the midwest or east, usually American flying west, and Delta to Florida. My choice of hotels really depended on if I was going to a major city or just traveling in the car. If I was driving, I usually just grabbed a room wherever I happened to light. I usually liked to drive to my next destination after dinner, so I could get an early appointment with the local agent and move on down the line. When in Florida and California, where we had a number of agents, I would try to see as many agents as possible on each trip.

ASC: Did you have any advance warning of AFIC's liquidation?

JTW: I was really busy running the bail division, when I was asked along with Bill to take over the Property and Casualty division also. Bill the personal and I, the commercial, we could see that they were in deep trouble.

ASC: What did you take away from that experience when you moved to open your own agency?

JTW: I think the greatest lesson Bill and I learned was to stay with what you know. That's why we have never contemplated doing anything other than Bail Bonds. We know how to run it, how to make a profit from it, whom and where you shouldn't write, and most importantly when to cut and run. You can't be in awe of premium. This is especially true in today's marketplace where a lot of agents as well as companies think premium is the answer to everything. If you have not done the proper underwriting and collateralization, there is no way you can out write your losses.

ASC: You started Underwriters Surety, Inc. in 1986 with Bill Carmichael who was 20 years your junior. What was the basis for your success?

JTW: When Bill and I formed our partnership we defined each of our roles and stuck to it. It was very basic. My job, bring it in the door, Bill's job was to limit what went out the back door. We recognized each others strengths and respected each others abilities, and went and did our jobs without the need to worry if the other guy was doing his. I feel extremely blessed to have had the opportunity to be his partner and friend.

ASC: You and Bill were able to buy American Surety Company off the shelf and take it from 1 state to 36 in 10 years. Did you find that satisfying?

JTW: The purchase and ultimate success with ASC has certainly been very satisfying to both of us. It has been successful financially, but even more so it made us self-reliant and provided security for ourselves, our employees, and our agents. We have had great associations with both of the outside carriers we have represented and continue to deal with them on very good terms. The fact Indiana Lumbermens has recontracted with us after almost 15 years is a clear indication we take care of our business and protect the sureties we represent. We were neither company's primary business, and sometimes their core business dictated they could no longer remain with us. This is why we made every effort to get our own carrier. With all the extra taxes, regulation, etc. that you have to go through when you are the carrier, rather than a MGA, it doesn't result in extra to the bottom line. Security is the prime factor.

ASC: You've worked with most of the ASC staff for nearly two decades. Is there anything better than loyalty?

JTW: It is very pleasing to me that we have such a loyal and stable staff. Many of our staff members actually worked for me at Allied Fidelity. It's also great for our agents to be able to talk with the same staff member that they talked with 5 years ago. You don't have to reinvent the wheel all of the time. I used to hate it when our banker would change the officer in charge of our account. You always had to start from scratch building confidence in you. Certainly from an agent's standpoint, getting bond approvals and underwriting assistance is certainly a lot easier when you have dealt with the same person for 15 years.

ASC: Bail is an ever changing industry. How do you see bail today and will it survive long enough so your grandchildren could post bonds?

JTW: It seems like every few years we have to go through periods of anxiety with the industry and watch companies going out of business. Retail agents trying to corner the market writing everything in sight and relying on premium volume to survive. Then they all take it in the chops. The industry calms down for a couple of years, then a new cycle begins again. But each time it results in the industry getting a little stronger by getting better legislation passed, forming stronger affiliations with other agents and companies. The bonds are certainly a lot larger now. An agent can take in the same income on a couple of bonds it used to take us writing a 100 bonds, with a 100 risks to monitor. This fact along with the advent of computers and continuously improving bail software lets the agent, as well as the companies, operate with a lot less overhead. I see the misdemeanor business continuing to be a thing of the past and I do not think it will ever return. California has survived without misdemeanors for almost 15 years. Through the

formations of associations of agents, locally, statewide and nationally, and the companies coming together in associations such as NABIC and ABC, the pretrial people realize that we are here to stay. Alan Henry once told me over a cocktail, that we both would be more likely to be put out of business by electronics than we would be by each other. I agree.

ASC: How do you like being a grandfather?

JTW: Being a Grandfather is great, you get all the benefits, and none of the work. I've had more time to spend with my grandchildren than I did with my own, seems like I was always working while they were growing up. I get a real kick out of going out and playing golf with the teenagers and kicking their butts.

ASC: Bail is perceived to be a lucrative business. How many years were you in bail before started making some real money?

JTW: I would hardly call bail a lucrative business. Anytime a sale of the product creates a tail of liability that on an average lasts in excess of four months, removes it in my estimation from being in the lucrative category. A lot of people have treated it as a lucrative business, as it creates a very nice cash flow, so some agents I've seen are into the new car, diamond ring, etc. before they have earned the money. When something adverse does happen, and it always will, they are not prepared to handle their obligation because they have spent their reserve. In this business you might have the money in your pocket today, but you haven't earned it until the case has come to a conclusion. Few people in this business have the discipline to prepare properly. In my estimation I didn't make any real money till I sold out and the future liability was gone. Then I felt that I had earned it and could spend it without repercussions.

ASC: Looking back over your 37 year career in bail do you have any regrets?

JTW: I learned a long time ago that having regrets is a waste of time. It has already happened and you can't reverse it. So instead of regretting something, turn it into a positive and learn something from it. All you can do at the time is weigh the facts look at your options. Based on those, make the best decision you can. Sometimes they turn out good, and sometimes bad, but at the time you made it you thought it was the right thing, so why regret it.

ASC: Some say retirement is not good for your health. How's your health and what are you doing to stay active?

JTW: Considering the type of life I have led, and the amount of stress I have been under at times in my life, I am surprisingly healthy. I'm fighting a little arthritis in my hip, take some medication for blood pressure, but other than that I hope to be around for a while to enjoy my wife, children and grandchildren.

ASC: What's your secret for achieving a tender brisket in the smoker?

JTW: The secret to cooking a brisket is easy, slow and low. A low temperature, 200-250 degrees, and about 18 hrs. Don't buy one that is trimmed. Cook it with the fat side up, wrapped in foil after being dry rubbed. The fat becomes a self baster which is what makes it tender. Hickory and Mesquite are usually the wood of choice, but I also like wood from fruit trees, and pecan wood also makes for a great flavor. Let it set for at least thirty minutes, then trim the remaining fat, and either slice or chop whichever you prefer.

ASC: What will you miss most about your nearly four decades in the bail bond business?

JTW: That's easy, the people, because that's what the bail business is, people. There are so many people I have come across during the last 40 or so years that I have benefited from I am not going to mention them for fear I might miss someone, but other than my wife and children, the one person who I hold most dear, is my partner, friend, my little brother, and the person I put the most trust in, Bill Carmichael. Thank you Billy for always being there.