"Tushkalusa . . . the Indian Chieftain . . . was the suzerain of many territories, and of a numerous people, being equally feared by his vassals and the neighboring nations."

Since 1871 The First National Bank of Tuskaloosa, Alabama

submitted by
BOB COCHRAN

(Taken from booklets produced by the bank in 1971 and 1987)

ON an especially warm and humid July 5, 1871, five men and four women met at the office of Judge Washington Moody. The purpose of the meeting was to organize a bank . . . the First National Bank of Tuskaloosa.

Among these founding men and women were some of Tuscaloosa's most highly regarded citizens. Washington Moody was a lawyer, a judge and a man of great intelligence and wit. Well thought of in the community, he was named bank president. It was he who owned the bulk of the original stock of the bank.

Judge William Miller and Bernard Friedman were also among the founders. Friedman was a partner in Friedman and Loveman Mercantile Co. and was the father of Hugo and Sam Friedman. Hugo Friedman later was to donate to the city the building which houses the county library (the Friedman Library) and, for public use, his home on Greensboro Avenue.

Also among the founders was Dr. Peter Bryce, the internationally known physician, noted for his revolutionary and kind treatment of the mentally ill. Bryce Hospital had opened its doors in 1861 and operated partly as a military hospital during the Civil War.

Frank Sims Moody, son of Washington Moody, was the fifth member of the founding group. Other stockholders at the founding meeting were Sallie Moody, Margaret K. Jones, Mary Menagh and Evolina King.

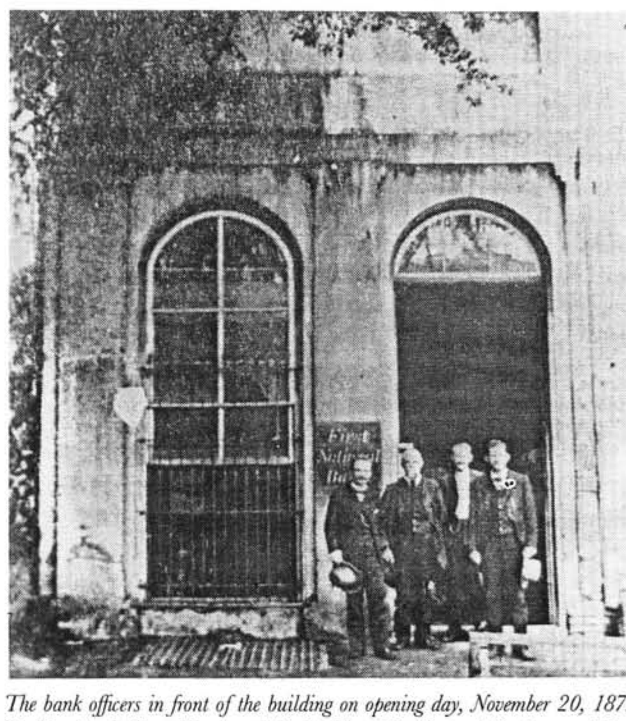
The bank was granted national charter 1853 on July 28, 1871. Some five months after the original meeting, on November 20, 1871, the First National Bank of Tuskaloosa opened its doors for business with assets totaling $50,000. The bank's first home was located at the corner of Broad Street (now University Boulevard) and 22nd Avenue across the street from the new City Hall, formerly the Post Office.

It was during this same period that Tuscaloosa was recovering from blows dealt by the Civil War. While the city itself had suffered only the loss of a foundry, which had produced farm implements and Confederate cannons, and the covered wooden bridge between Tuscaloosa and Northport, evidences of personal loss were everywhere. Many people were desperately poor.

The University of Alabama had been burned by Croxton's Raiders in 1865 and had not re-opened. The only campus buildings that remained were the President's Mansion, the Round House, the Observatory and the Gorgas Home.

Reconstruction came slowly, but by 1870 the University's Woods Hall was completed and opened to 54 students. During the fall of 1871, while First National was trying its wings, enrollment had increased to 107.

Elsewhere in the city, work was underway to replace the Northport Bridge and to construct a cotton mill on the site of the old foundry. Upon completion, the mill employed 150 hands and boasted capital stock totaling $40,000.

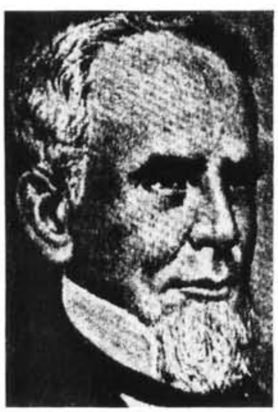


The bank officers in front of the building on opening day, November 20, 1871; Cashier Frank Sims Moody at left, President Washington Moody second from left.

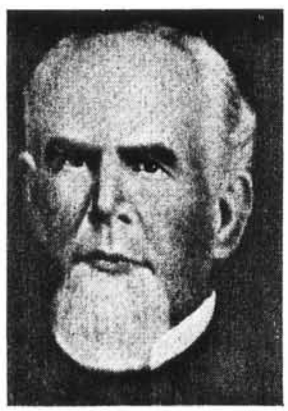
Things were looking up. By 1872, the number of First National employees had risen to three: Judge Washington Moody, Frank Sims Moody and a janitor who cared for the small building. Just after Christmas of that year the bank building burned. The vaults were constructed of high quality materials and, as a result, neither the cash, the ledgers nor the valuables were harmed.

The next morning, the Board of Directors met and voted to open the bank's doors for business that same day in the "West Room of the Bell Tavern." Forty-seven years before, this same tavern was the scene of the first meeting of the State Legislature when the capital was moved from Cahawba to Tuscaloosa. It was also decided that President Washington Moody should begin construction of another banking house and that until it was completed, the Bell Tavern would serve as bank quarters.

In May of 1873, Frank Sims Moody left the bank to become one of the first students to enter the newly established University Law School. Upon completing law school, he began what was to become an illustrious career as an Alabama State Senator. But on April 17, 1879 Judge Washington Moody died and his son was called back from his duties as



Judge Washington Moody, founder of the First National and president 1871–1879.



Frank Sims Moody, president 1879–1920.

State Senator. By a unanimous vote of the Board he was elected bank president.

Frank S. Moody served First National as president for over 40 years. Under his direction, the bank made great progress. A new bank building, located on Broad Street and 23rd Avenue, completed in 1891, was considered to be one of the "most modern and commodious in West Alabama."

During his term of office, President Moody saw the development of utilities in the Tuscaloosa area. The first phones, twenty of them, were introduced in 1883. In 1890, The Tuscaloosa Gas, Electric Light and Power Company was organized. Re-organized in 1898 as the Tuscaloosa Ice and Light Company, the concern added a 20-ton capacity ice plant.

Frank S. Moody passed away on February 22, 1920 and his son, Frank Maxwell Moody, was elected bank president. In 1923, First National employed a farm agent, Beverly A. Holstun, and established a service department for Tuscaloosa area farmers; this was the first such service in the state. Mr. Holstun worked with the farmers of the community to help them increase their yield; within one year 75 percent of all farm accounts had been placed with First National. Frank Maxwell Moody was fond of saying that the bank "had never lost a penny helping a farmer."

The financial situation of the country was somewhat grim following the stock market crash of October 1929. The Merchant Bank and Trust Company of Tuscaloosa was suffering from bad loans made during the 1920s. The additional

The bank's second home, built in 1891.

burden incurred with the construction of their new 11-story building had brought Merchants Bank to the verge of collapse. On the night of February 7, 1930, the Directors of First National and Merchants Bank negotiated the purchase of Merchants Bank to prevent a financial crisis in Tuscaloosa.

At 7 a.m. on February 8, 1930 the ledgers and other records of the Merchants Bank and Trust Company were rolled down the block to the First National Bank. At 9 a.m. President Moody stood on the steps of the Merchants Bank and announced to a crowd that First National would honor all checks drawn on either bank. The hectic negotiations were consummated as a gentleman's agreement, and the merger was not sealed, set to paper and made legal until the late spring.

In March of 1930 resources of the bank exceeded $5 million, and by 1941 they had grown to over $7 million. That year Frank Maxwell Moody was elected Chairman of the Board and Gordon W. Palmer was elected bank president. Palmer thus became the first president in the bank's seventy-year history who was not named Moody.

By 1955 the bank's resources had surpassed $26 million. President Palmer retired from the presidency because of his

Unissued 25-cent note from the Bank of the State of Alabama, Tuscaloosa branch, circa 1830. (Courtesy E.P. Rodwell, Jr.)

health, and was elected Chairman of the Board. Succeeding him was the fourth Moody to serve as president of the bank, Frank McCorkle Moody, Frank Maxwell Moody's son. In December of 1970 he was elected Chairman of the Board, and George S. Shirley was elected president. In 1983 a one-bank holding company, the First Tuskaloosa Corporation was formed. In 1986 First Tuskaloosa Corporation affiliated with AmSouth Bancorporation to become part of a statewide financial organization.

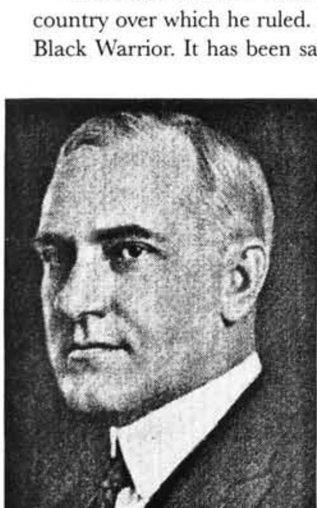
THE STORY OF THE "K" IN TUSKALOOSA

The official name of the bank is First National Bank of Tuskaloosa. The bank is one of only two businesses that still use this spelling. The "K" was explained in a 1910 letter from Frank Sims Moody, then president of the bank, to the deputy comptroller of the currency. He was writing at the request of the comptroller who questioned the spelling because the U.S. postal guide used the "C" spelling. Moody said:

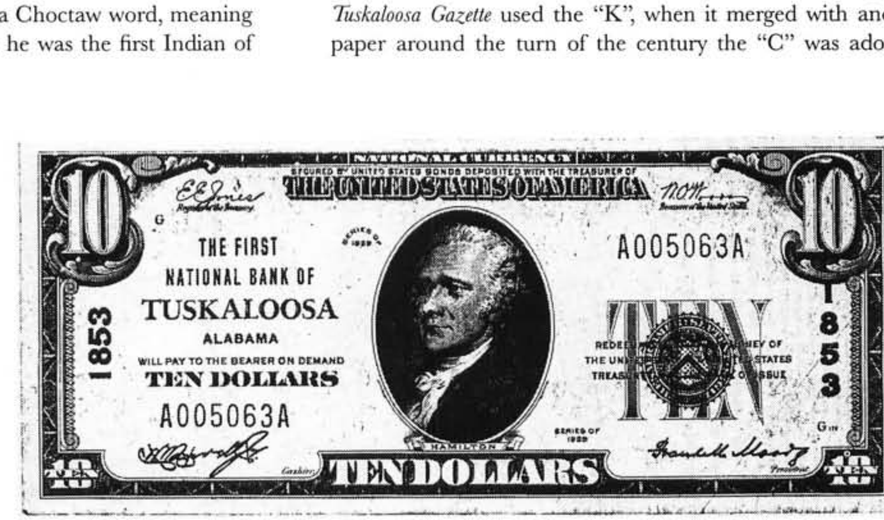
> During the past thirty or forty years the people of Tuskaloosa have differed as to the mode of spelling the name of their town and county. But in the early history of the town and county it was not often so—at least in formal documents.
>
> Tuskaloosa was the name of an Indian chief and of the country over which he ruled. It was a Choctaw word, meaning Black Warrior. It has been said that he was the first Indian of much prominence that is mentioned in the history of the United States, his name appearing in accounts of DeSoto's march through the southern part of the U.S. in 1540.
>
> . . . though it is common tradition that the present town of Tuskaloosa was named for this great Indian chief, history does not record so far as I know, the exact time when the town took that name. But a village of that name was here before the state was admitted to the Union, and it seems that in those days the people uniformly spelled it with a "K".
>
> In 1816 the Alabama Territory passed an act establishing the county of Tuskaloosa. In 1819 when Alabama was admitted to the union, the document said: "the county of Tuskaloosa shall have two representatives." Also in 1819—after Alabama was admitted, the legislature of Alabama incorporated the "town of Tuskaloosa."

In early days the name was generally, if not uniformly, spelled with a "K". As time passed the "C" gained momentum, those using it claiming it was easier to write. At the time of Mr. Moody's 1910 letter, he said:

> . . . everybody now spells the name of the town according to his own taste. The postal guide could not spell the name two ways and fell into the way of spelling it with a "C". The final winning of the "C" as the generally accepted spelling came about largely because of the postal guide. Adding to the evidence of the trend to the "C" is the fact that although the *Tuskaloosa Gazette* used the "K", when it merged with another paper around the turn of the century the "C" was adopted.



Frank Maxwell Moody, president 1920–1941.



1929 Series National Bank Note issued by The First National Bank of Tuskaloosa, bearing the engraved signature of president Frank M. Moody. (Courtesy Gerald Loegler)

About that time, however, a new county courthouse (which was on the site of the present one) had carved over the door the "K" spelling and the Colonial Dames placed a stone marker in front spelling it "Tushkaloosa" (claiming the "H" sound was more like the Choctaws pronounced it.) [Interestingly, Moody misspelled the name of the chief; the stone marker he mentions states "Tushkalusa . . . the Indian Chieftain . . . was the suzerain of many territories, and of a numerous people, being equally feared by his vassals and the neighboring nations."] This was the last official documented effort to retain the "K". Since the town, the county and the bank were all chartered as Tuskaloosa, FNB has carried on the tradition of this early spelling, in keeping with the early Indian tradition.

[Moody may have felt that the published postal guide was the major contributing factor to the preference of the "C" over the "K" in the spelling of Tuscaloosa, but engraved bank notes of the Bank of the State of Alabama issued and dated as early as 1838 have the branch in "Tuscaloosa". But as if to keep the controversy alive, an engraved $3 bank note dated March 20, 1840 shows the location as "Tuskaloosa"; a proof of a $500 note also has an engraved "Tuskaloosa". For illustrations and descriptions of these notes, see *Alabama Obsolete Notes and Scrip*, issues 6–1 through 6–16.]

In 1930 First National took over the home of the former Merchants Bank and Trust Company.

BANK NOTE ISSUES OF THE FIRST NATIONAL BANK OF TUSKALOOSA

First Charter, Original Series	Serial #'s	Denomination	# of notes
1-1-1-2	1–1500	1	4,500
	1–1500	2	1,500
5-5-5-5	1–2875	5	11,500
First Charter, Series of 1875			
5-5-5-5	1–8015	5	32,060
Second Charter, Brown Back			
10-10-10-20	1–4540	10	13,620
	1–4540	20	4,540
Second Charter, Date Back			
5-5-5-5	1–2430	5	9,720
10-10-10-20	1–3136	10	9,408
	1–3136	20	3,136
Third Charter, Date Back			
5-5-5-5	1–7250	5	29,000
(Sheets numbered 6501 to 7250 were delivered on December 30, but no year was given so the type is uncertain.)			
10-10-10-10	1–7000	10	28,000
(Sheets numbered 6251 to 7000 were delivered on December 31, but no year was given so the type is uncertain.)			
Third Charter, Plain Back			
5-5-5-5	7251–38818	5	126,272
10-10-10-10	7001–30036	10	92,144
1929 Type I			
Six-5s	1–12286	5	73,716
Six-10s	1–6048	10	36,288
1929 Type II			
Six-5s	1–7276	5	7,276
Six-10s	1–4183	10	4,183

Large-size notes issued: 365,400; small-size notes issued: 121,463; total notes issued: 486,863

Total circulation issued: $3,445,170. Amount outstanding in 1935 report: $75,000

Hickman & Oakes rank large-size notes as "5" (3–5 known) and small-size notes as "4" (6–11 known).

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