

Chapter 1 – 1:00

Introduction

John Erling: Who knew in 1916 when William K. Warren, Sr. arrived in Oklahoma on the recommendation of a friend in the hospital in Nashville, Tennessee, that the seed was planted for a health system known as Saint Francis Health System? William K. Warren, Sr. was 19 when he went to work for the Gypsy Oil Company in Tulsa as a voucher clerk. Soon he started his own business with \$300—and Warren Petroleum was born. The employees consisted of William K. Warren, Sr. and his new bride, Natalie Overall Warren. Their dream of giving back to the community came to reality on October 1, 1960 when Saint Francis opened its doors with 275 hospital beds. In this interview William K. Warren, Jr. talks about his parents, his life while growing up in Tulsa, his career in an oil and gas exploration, construction, the cellular phone business, the healthcare industry and his love of horse racing. Listen now to the Warren story made available on **VoicesofOklahoma.com**.

Chapter 2 - 4:25

From the Beginning

John Erling: My name is John Erling and today's date is December 11, 2009.

William Warren: My name is William Kelly Warren, Jr. We are here in the conference room of our family oil company, Warren American Oil Company.

JE: And we're in the William-

WW: William Medical Building on the campus of Saint Francis Health System at 61st and Yale.

JE: Your date of birth, and your present age?

WW: Well, I'm 75. I was born September 27th, 1934.

JE: Where were you born?

WW: At St. John's Hospital here in Tulsa—it was during the time of the depression.

JE: Your mother's maiden name?

WW: My mother's name is Natalie Overall Warren. Her father was a Methodist minister there in Nashville, Tennessee—or actually, Murfreesboro, which is a little suburb of Nashville, similar to Broken Arrow. She was raised there and went to Vanderbilt University.

JE: What kind of a person was she?

WW: Just an outstandingly warm, sincere lady—very humble. She had seven children. I was the seventh, the only boy. I had six older sisters. So I give her a lot of credit for wanting to have a larger family or else I wouldn't have been here. She was very charitable. She was very active in The Boston Avenue Methodist Church. When my father and mother were married, they made an agreement that the girls would be Protestant and the boys Catholic. So I had six older sisters who were Methodist. She was very active in many charities. There was one downtown that was a babysitting charity, Children's Day Nursery I think it was called. And she would be there, taking care of small children, while their mothers and fathers worked at different companies.

JE: Maybe the answer to why the girls were Protestant and the boys were to be Catholic is answered with your father then, is that true?

WW: Yes.

JE: Is your father Catholic?

WW: Yes my father was Catholic.

JE: Okay, so talk about him. Your father's name is?

WW: William Kelly Warren, Sr. and he grew up in Nashville under very poverty like circumstances. His father died when he was in the eighth grade and he had to drop out of school at that time to support his mother and two sisters. And he had several jobs. He worked for the railroad there in Nashville and he sold newspapers at the hospital there, St. Thomas Hospital in Nashville. I'm very proud of him. He sold peanuts of the baseball game and he sold sparklers on Christmas Day. But he met a lady who was a patient who lived in Sapulpa, Oklahoma. She was in there after an operation in Nashville. And she convinced my father to move west because of the attraction of the oil and gas business that was beginning to flourish in the early 1900s. This was about 1917 that he moved to Tulsa.

JE: So it's interesting, it was a hospital there that had an influence on his life.

WW: Yes, very much so.

JE: It was because of a hospital that he actually met that lady—

WW: Yes.

JE: And then ultimately moved here.

WW: How ironic that is, but that's exactly the case.

JE: I want to come back to your father and mother a little later here. Let's talk about you and

your education. The first school you attended?

WW: Marquette. And after Marquette I transferred to Cascia Hall in the eighth grade, and from there I went to the University of Notre Dame, graduating with a management degree and then I went into the U.S. Navy for 3 1/2 years. I had some very good duty-

JE: Let me ask you, the Navy, when was that?

WW: That was 1956 to October of 1959. They were considering the draft and I expected to be drafted. I understood that I would be drafted unless, while in college, my senior year I decided to enlist to become an officer, and I was sent back to Officer Candidate School in Newport, Rhode Island. From there, they sent me to Supply Corps School in Athens, Georgia, and from there I went to a very brief training program in Hawaii. Then I went to the island of Kwajalein, in the Marshall Islands, and we were basically an air base, a Naval Air Station. We had 23 storage tanks and five different kinds of product.

Chapter 3 - 5:47

Oil Field & Father

William Warren: And I was considered an expert in the oil business because for three summers I had worked in the oil fields to get a better education about the oil business while I was in college. I started off between my senior year and my first year in college I worked on a seismograph crew out of Houston, Texas. Actually the name of the town was Sealy. The next summer I worked on a drilling rig out of Hobbs, New Mexico, and had the pleasure of watching an oil well blowout while I was on the floor of the rig. So, it was a very interesting experience. The third summer in fieldwork, I worked for Union Oil on their midnight shift 11pm - 7am at their refinery in San Pedro, California. In between my junior and senior years I worked as a land man out of our family oil company's office in Midland, Texas.

John Erling: Did you enjoy that experience?

WW: I loved it, I really did. I learned so much about the oil industry, and about the interpretation of electronic logs, the importance of analysis of seismic data. And of course the throughput of ships that were coming into the Los Angeles port either transporting oil to, or from, that refinery. And that helped me a great deal in Kwajalein because we had a long pier and ships would come in from the far East and bring us different products, like avgas or jet fuel, diesel and regular gasoline. It was quite an experience to be in charge of that tank farm. They threw me into the thick of it. When I landed, the captain on the plane said I had better be very good oilman because they had 16 planes that were grounded at Kwajalein due to contamination in the fuel. So the captain took me by the arm and got a bucket and spewed some of the avgas in the

bucket and swirled it, and you could see all the rust at the bottom of it and he said, "This is why our planes aren't taking off." So I told him I would have them out of there, in two hours, and I did. So, all 16 planes were able to take off and that was a good way to start my career in the Navy.

JE: What ranks did you rise through?

WW: I was an ensign and I was discharged as a lieutenant junior grade.

JE: And you enjoyed the Navy experience?

WW: I did. I wanted to go into the oil business rather than go into the service, but recognizing the opportunity to be an officer was, I felt, a challenge, and an opportunity. So, I think it was a time well spent, three years and three months or whatever it was.

JE: It makes you feel good today that you have that service?

WW: Yes, I think it was an interesting foundation for me for business. Of course managing people and having to get along with your fellow officers, particularly your commanding officer.

JE: Back to when you were learning the business, you were the son of-

WW: W.K. Warren, Sr., a wealthy, philanthropic person. Yes.

JE: And so you were out there doing all sorts of grunt work should I say?

WW: I was.

JE: And did that work for you or against you? Did they say, "Oh, you're the son, and why are you out here working like this?"

WW: It probably worked against me if people knew about it. And I was challenged several times. Not because I was the son of a wealthy person, but because I was a college student. And the roughnecks that were around and everything, they would challenge me at different times. You know, on our day off we'd be going into a pool hall and if I happened to beat a guy why he would be more than normally angry at losing and a time or two you'd have to slug your way out of a mess. But in growing up John, I found it difficult in the sense that everyone knew that my father had started Warren Petroleum just on \$300 in 1922. He came here and originally worked for a railroad in Sapulpa and this lady's husband, who was a judge helped him get the job with the railroad company. And then he decided to go to work for an oil company in their accounting department and saw all of this product being burned off at the wellhead that we now call LPG propane and butane. So he felt like he could market that product energy-wise and he was a pioneer in the LPG business. The other company was Phillips. They were the two companies that were largest in the industry. But Warren Petroleum was the largest marketer in the world. In fact, dad christened the first LPG tanker down in Beaumont, Texas. And any rate, people were aware that he was building this tremendous oil company. So, they thought of our family as rich, but as you know in your own family, it was your mother and father who had the money-you didn't have the money. So, I

felt to prepare myself for business in order to make a living, I wanted to work in the oil fields. I didn't want to be like some of my friends in high school who were playing golf every summer. I didn't want to be known as a playboy. Particularly with six sisters, I had a chip on my shoulder to prove myself. So I did enjoy that. And it was very much necessary for me to be in the Navy I think, because they didn't disrespect you for being a college student. None of them knew about my father at all. But it was an opportunity to show your management skills. I was in an experimental program at Notre Dame on management that was copied after case studies that they did in graduate school at Harvard. The professor that ran our program ran this other program, and it was only in its second year of existence when I enrolled in it. and I gained a lot from case studies.

Chapter 4 - 5:17

Skelly Stadium

John Erling: So you had this drive inherent in you? Your father didn't say, "I want you to get out there and learn the oil business." Or did he?

William Warren: No, no. I went to my father and said, ""Can you get me a job in the oil fields?" My father was so busy it seems like, with so many things, that really my mother was more responsible for raising me than my dad. In those days, they traveled by train a great deal. So he would be gone from three days to five days to Chicago or New York and we'd go down to the train station and pick him up and that sort of thing. But, no-I think that my dad became very involved in my training once I came back to Tulsa after the service. Initially, I went to Midland to work in our office out there after the service. After little over a year, I moved back to our Tulsa office and worked with our geologists here.

JE: I'm interested when your father came here, and with \$300. He also married your mother Natalie somewhere in that period of time isn't that true?

WW: Yes.

JE: Where did he meet her?

WW: He met her in Nashville. There was a friend that dad knew of and it was this friend that brought Natalie over to see my father when he was repairing his bicycle. It just happened to be that way.

JE: He worked at the Gypsy Oil Company?

WW: Yes.

JE: And then he quit his job here at Gypsy?

WW: Yes.

JE: And so with \$300, do you know how he made that work?

WW: Well, I think he took the \$300 and put it in on a contract to buy some LPG and then marketed it for a higher amount of money and then they just kept rolling it over.

JE: Okay, it was his work at Gypsy—he saw the flare off, and it was going to waste for no good reason—

WW: Right.

JE: And then he thought—

WW: He thought he would harness that energy.

JE: Nobody had been doing that?

WW: Some of them were trying to do it. I remember my dad telling me what impressed him the most was that there was another guy who was very much a gambler, and he had the same idea as dad did, to put it into these tank cars and to condense it. And people were afraid that those tank cars would blow up. So, on a trip from Glenpool over here to Sapulpa, this guy rode on top of the tank car. It didn't blow up which meant that it could be put in containers and made serviceable like you and I use to barbecue with our propane in those canisters. He had an outstanding work ethic that he had to have from the eighth grade on.

JE: So he dropped out of school in the eighth grade?

WW: He did. He never went back to school.

JE: That's a pretty amazing story, isn't it?

WW: It is. Yes, particularly in these times with so many people getting graduate degrees and all that.

JE: Then the company grew on the back of propane, but was he in the business of discovering oil at all?

WW: Not at that time, not initially—I think more toward 1940 he got interested in exploration and production. He had met some different people at the American Petroleum Institute attending meetings that they would have every year. And he met some very fine people who were in that side of the business, exploration and production, so he did also participate in that primarily out of Houston and Midland, Texas. That grew quite well in reserves at that time.

JE: When he lived here in Tulsa did he have interaction with some of the names of oil executives?

WW: Yes.

JE: J. Paul Getty or Bill Skelly?

WW: He didn't get along with J. Paul Getty. J. Paul Getty he did not have a good opinion of, because he was aware of how he had done some deals. He was very close with John Mabee of Mabee Petroleum and the Mabee Foundation here in town. He was a very close friend of Bill Skelly, the Skelly Stadium was built by Mr. Skelly—and he fell upon hard times, and so dad finished building Skelly Stadium and it was still named after Mr. Skelly.

JE: Well, now that's an interesting part of history isn't it that most Tulsans don't know about?

WW: It is. I think that's right. You know, he was also very instrumental in saving St. John's Hospital when it was going under. He arranged to give them \$1 million that he didn't have when he made the commitment. But he went around to people and raised the money for them. They were about to go under. I can't remember the year.

JE: But it was before he started his vision for a hospital though?

WW: Yes, oh yeah, long before that. This would have been in the 1930s.

JE: Okay.

WW: He gave that money out of his profits from Warren Petroleum. He raised money from others to build Southern Hills Country Club. He and another gentleman went out to see Mr. Phillips.

JE: Waite Phillips?

WW: It was Waite Phillips, yes, who lived in Tulsa and Los Angeles. So he and Mr. Canary went out to ask Waite Phillips to give that property for a country club to be built. Because Dr. Kennedy who owned Tulsa Country Club had come up with so many restrictions, that it wasn't possible for them to play at Tulsa Country Club anymore. And Mr. Phillips challenged my father that he didn't think he would get the money. And this was again in 1935, when money was short. So dad did go around to the community and raised enough money to start the initial membership at Southern Hills.

JE: So is that when Waite Phillips then said, "Okay so then you've raised the money, now I'll give you the land."

WW: Yes.

Chapter 5 - 3:45

Bill Skelly & Senator Kerr

William Warren: And not only just what he did with Skelly Stadium, dad was very much a supporter of Tulsa University and he didn't want to see construction stopped. So, he paid the money for Mr. Skelly on that.

John Erling: For the tail end of it, or half of it or?

WW: It just completed all of it until this latest renovation that has been very impressive and significant and a great asset I think for the University of Tulsa. That's who I was out raising money for today by the way, Tulsa University.

JE: And is your connection because your dad had that connection?

WW: Yes.

JE: Back then your Dad stepped in and so you have always felt an affinity to TU?

WW: I have. Dad used to take me to their football games during the war years and up until I graduated from high school in 1952 I continued going to their games and we would always go out and watch their home games.

JE: Did Bill Skelly—you said he fell on hard times—this was in the '30s?

WW: Yes.

JE: Did he come out of that?

WW: Oh yes.

JE: He came out of it?

WW: He survived. Yes he did. He did enormously well after that. But part of the training that you were referring to earlier, when I was in high school from 1948 to 1952. You had these yearbooks as you recall and they needed to get advertisements for them. So my dad had me call Mr. Skelly's office and talk with his assistant, set up an appointment and I would have to go down and make a presentation to Mr. Skelly about how valuable this ad in the Cascia Hall yearbook was. (Laughter)

JE: And now you are about how old—when you were doing this?

WW: Well, I was about 14 or 15, 16.

JE: Well, how intimidating that must have been!

WW: It really was.

JE: Tell us about it. Was he open to you?

WW: Well, it was a gentleman whom I knew was his executive assistant, Mr. Pielsticker, he sort of calmed me down a little bit before I went in to see him. But Mr. Skelly himself was a, for lack of a better word, a very scary individual. He was large and sort of a gruff talking man. He smoked a good cigar, so I was quaking at the boots when I went in to see him. And, the same thing with John Mabee and Mr. J.A. Chapman, I had to go down to see them because my dad was directing me down there. And I'll never forget being in Mr. Chapman's office and he had one of these old roll-top desks, he had on his cowboy boots. But he had his spittoon there and while I was making my presentation he would lean over and spit into this spittoon. (Laughter.) And that's another experience that I was scared to death of, but I came out of relishing the fact that I had the opportunity to do that.

JE: That was James Chapman then that you saw?

WW: Yes.

JE: Right.

WW: I felt like I met some very important people in the oil industry and to the state of Oklahoma. I met Sen. Kerr through dad and Dr. Cross down at the University of Oklahoma and other people.

JE: Senator Kerr, can you comment about him and what you recall about him personally? You were around him some?

WW: I was around him some and enjoyed being around him. He was always very thoughtful I thought, and kind to people around him. Obviously, he was a person of immense power and a senator of the United States, but he was a listener and I appreciated that very much in him. I also got to know Dr. C.I Pontius who was president of TU for many years. But Sen. Kerr was probably the politician that I remember the most.

JE: Was your father politically active?

WW: Yes, in the sense of supporting and not having any interest in politics himself.

JE: But he would support candidates?

WW: Yes.

JE: He supported Sen. Kerr then?

WW: Yes. He was very active in funding different people in politics, Democrats and Republicans.

JE: So he supported both?

WW: Yes.

JE: Was he a Democrat?

WW: He was a Democrat.

Chapter 6 - 4:25

Dwight Eisenhower

John Erling: What about presidents? Did he—or did you interact or—?

William Warren: That's a good question, I did. I knew Gen. Eisenhower quite well. Dad had an avocation toward golf and belonged to a country club there in Indian Wells, near Palm Springs, California called Eldorado. This was in my early years of college. And he is oftentimes played golf with Pres. Eisenhower and his aide who was another general. And so I played golf with Eisenhower. And I enjoyed him so much because of the stories he used to tell about the war. We would go into the locker room afterward and he would talk about the war and I would just sit there with bug eyes and open ears. It was really tremendous being around a great person like that. You know he would talk about the other people as well. He would talk about MacArthur and other generals like Patton, and Omar Bradley.

JE: Do you remember any comments? Like what he thought about MacArthur or?

WW: Well, he was in a different theater of it, so he just mentioned that he was sort of a difficult person to get along with, as was George Patton. But he had good men around him such as Omar Bradley and some of the other generals that helped him with the Normandy Invasion all the way to Berlin. Dad was so close to him that my father was the second person from Oklahoma to become a member in Augusta National Golf Club. In those

days, Cliff Roberts who was the chairman would come around to the members to ask them to do things such as build a cottage. So they built a cottage down at Augusta called the Eisenhower Cottage and dad paid for 25% of it. And these cottages John, I can describe to you as being very lovely one-story homes. They would have basements and sometimes two stories, but they were pretty good-sized homes. I don't know the number of square feet but I would have been happy to have that home when I first came out of the service (Laughter) it was about twice as big as what my home was. He did that and played golf many times with Eisenhower at Augusta.

JE: Do you happen to remember one story that may have stood out that's Eisenhower related?

WW: I remember specifically what a poor putter he was, and we were partners. (Laughter) He could be 3 feet from the hole and putt and he'd wind up 9 feet on the other side of it. He had no sense of logistics at all. He could play well driving the ball and hitting an iron. But you could put him on the putting green and I don't know whether his nerves got to him or what. You know from all the wartime experiences he had but-

JE: But he would shoot in the 80s?

WW: He shot in the 80s. And Eisenhower and I, in this match that I vividly recall, we beat my dad and this general so I cherish those experiences that I had.

JE: So you would have been how old at that time?

WW: I think I was in college, in my college years. He also knew President Johnson to some degree, and he found him very difficult in the sense of not being a good listener. He just gave dad the time of day and I think it bothered dad a great deal. Because dad felt like he was in an industry so important to the growth and development of the economy. And particularly with President Johnson being from Texas, dad thought he should respect the ideas and innovations relative to leaders in the oil industry. He also was a good friend I should say of Senior George Bush, because George Bush originally started out in Midland, Texas before he went to Houston. So dad knew him quite well and I was able to meet not only George Senior because of my dad but also later on, on my own, I met George W. I think (my dad) enjoyed Mr. Bush Senior a great deal and had a great deal of respect for him.

JE: Back to Eisenhower one more time, did he have this soft kind of demeanor-nothing gruff about him?

WW: Nothing gruff at all, no.

JE: He was easy-going and you felt relaxed around him?

WW: Very much, yes. I mean he just was a very kind individual as I thought of him. He was low-key and talked softly and was not imposing at all.

Chapter 7 - 7:13
Tulsa in the 1950s

John Erling: Let's come back to you remembering Tulsa in the latter part of the 1940s and 1950s. You were growing into your teen years. You were 21 in 1955, I believe. Talk to us about downtown Tulsa. Was it a busy place at that time?

William Warren: Oh yes, it was very active and the Mayo Hotel was the star of downtown. I remember when the play or musical Oklahoma came to town, why Burch Mayo arranged for me to meet the star of it, Shirley Jones. We had dinner together in the Mayo Hotel. You know, I had visions. I was a young man in college and I thought well, you know dating a movie star or an actor would be pretty great. At any rate, it didn't go anywhere from the dinner (laughter). But no, it was a very thriving place. We had theaters downtown, The Orpheum and The Ritz, and we had a skating rink that was very, very good.

JE: Do you remember the stores?

WW: We had a Clark's store, we had Renberg's. We had Vandever's. These are names that you don't hear today, but they were very active. Banks had a very tremendous image of power—they were all downtown, The First National Bank and in the National Bank of Tulsa which is now BOK. The First National Bank is now the Chase Bank downtown.

JE: Which banks did your father deal with?

WW: First National Bank, he was on that board. When I got back here to Tulsa, and started back in the oil business he arranged it so I could be on the board. And I was the youngest board member. And I was on there with a lot of tremendous people, the head of American Airlines, the head of Skelly Oil. All the oil and gas leaders seemed to be on that board.

JE: And you would have been in your 20s?

WW: Yes, I was then in my early 20s. At that same time, I was one of two outside family directors that were on the Williams Companies board. When dad stepped down from Warren Petroleum, and they had this Grumman plane, it wasn't a jet, it was a prop plane-turboprop. And he saddled that on my company, little old Warren American Oil Company that we had. We were not big by any stretch of the imagination, yet we had a private plane. And so this went on for about six months that we kept it. And that was when John Williams bought out this big pipeline system that we went to Kansas City on to close. He needed not one plane, but three planes. And so, I out-traded John on selling him that plane. I made a good profit on selling him the plane, relative to what my cost was on it. And I think, because I traded so hard with him that John was impressed and asked me to go on the board of directors of the Williams companies along with Luther Hodges who had been Secretary of Commerce and the former Governor of North Carolina. I was active for a number of years on the Williams Companies board.

JE: Again that's in your later 20s or early 30s?

WW: Yes, my later 20s or early 30s.

JE: So, all of these men who were sitting around that board table were much older than you-

WW: Yes.

JE: And all of them old enough to be your father-

WW: Yes.

JE: Yet you felt they respected you? Or were you just treated as a kid or a young person?

WW: I wasn't treated as a kid. I don't know that they respected me because I was new into the business and hadn't accomplished a whole lot at that time.

JE: But you remained as a board member for many years?

WW: I did for many years, yes.

JE: Some of the places, I'm taking you now back to your early 20s. The places you may have hung out, or the names of some of the people that you may have run around with in those days?

WW: Central High School was very outstanding as a high school and they had social clubs there. They invited some students from Cascia to belong to the social clubs. Broncs and Lancers and I joined the Lancers and so I was around some Central high school students. Cyril Wagner was one that has since moved to Midland and has been very successful in the exploration and production business. Dr. Jerry Brickner who headed up our cancer operations at Saint Francis Hospital, he was a Lancer. We hung out at a drugstore down there close Boulder and Boston, between there by the park. And that was the place that we hung out. I can't remember the name of a drugstore right now. But there was another drugstore on 21st Street by the name of Montgomery's, we used to go there to get an ice cream or soda. And then, on the corner of 11th and Lewis, there was a dairy there, and you could go buy ice cream. I'm thinking the name of that was Glenclyff. And you could buy 5 gallons of ice cream during the war, and this is when I was in high school and my dad had a freezer down in the basement so he had plenty of ice cream. And I remember going there in buying these 5-gallon containers of ice cream and that was the place that we frequented. Again, as I said we went to the movies at the Orpheum and the Ritz quite often and the Delman Theater on 15th and Lewis, which is now a Walgreens drugstore.

JE: Do you remember the music you may have enjoyed or movies that were your favorites?

WW: Well in those days we listened to the radio a lot and music was played. To impress a date, I would take her down to the radio station. And whoever was the disc jockey down there would put us on and interview us and just say we have some students from Cascia Hall here and that sort of thing and-

JE: Do you remember what station that was?

WW: I don't. I remember who I was most impressed with at the time was Leon McAuliffe and he played the steel guitar. I always just thought that was fantastic.

JE: KVOO maybe?

WW: Yes.

JE: Since it was Leon and country music. You said that in impressed dates?

WW: Oh yes it did, yeah. (Laughter) That was a lot of fun because they would love to hear friends tell them they heard them on the radio, because everybody played the radio.

JE: Do you remember the first car you owned and what make it was?

WW: My dad gave me a car to drive. It wasn't my own. I didn't own a car until I got out of the Navy. I always borrowed one from dad. So he had one for me in high school to drive that was a Buick coupe. I often think about that. Because in those days John, I don't know how old you were, but we would drag race. We would have gear shifts and everything and I often think about it when I'm driving here on 71st, that it was a two-lane road and I can remember going out and having a drag race with somebody where we would be out occupying both sides of the road coming over a hill. And we just would have been wiped out. We were so young and dumb and stupid and I think the Lord today not one was hurt and that I'm alive today because that was so reckless and yet it was a way of proving your manhood so to speak. Others would do chicken and go off in different directions, but this was just plain drag strip racing.

JE: That was on roads right around where were sitting here right now at 61st Street?

WW: Well, 71st and Yale, it was a two-lane going east/west.

JE: Obviously you didn't have any accidents, but you were just lucky. So that would have been in the 50s, early 1950s?

WW: 1951-it would've been when I was probably a junior in high school and had just gotten my driver's license.

Chapter 8 - 6:35

Marriage & The Military

John Erling: I interviewed Margery Mayo a couple of days ago. Did you know her back in the Mayo Hotel days? She's older than you quite a bit but-

William Warren: Yes I knew her because of Burch but I didn't know her that well. She was always a grand lady in my estimation, very stylish, sophisticated and I always had a great impression of her but I never talked with her much.

JE: Yes and she still has that way today by the way.

WW: Oh is she?

JE: Somewhere along the line you got married?

WW: Yes, my senior year in college we had a football trip to Michigan State for seniors and I

was the president of the senior class at Notre Dame. I rolled around at night as a junior trying to decide if I should run for president of our class our senior year and I made the decision to do so. So you plan the current events for your class and one of them was a senior football trip. We went up on Friday and went to Michigan State pep rally and they introduced their homecoming queen and I took note of what sorority she was from. And so the next day Saturday morning there were a group of us, about seven of us that walked sorority row and I went into the Kappa Kappa Gamma house and asked for this particular person who was the homecoming queen. And she came down the steps and she had been up stairs and we chatted and so forth and (pause) my best line at that time, was to tell someone I had six sisters. That seems to make me pretty good in anybody's eyes. And that worked with her and we started dating. And so we dated all of senior year. Her name was Judy Johnston. After graduation I helped get her a job in La Jolla, California teaching school, where my parents had a second home. And I was in the Navy, but we corresponded and we were very close and everything. So after I got out of what I call Officer Boot Camp, and they sent me down to Athens, Georgia to become a supply officer—they gave us Friday off. So I flew out to La Jolla from Athens and we were married on a Friday and then we spent Saturday in Phoenix, which was our honeymoon, and then we were back in Athens for classes on Monday morning. We had officer housing at that time which was very nice. It was new housing and really very lovely. I guess I got tired of having so many male roommates. Cascia Hall when I went through it was all male. Notre Dame was all male. And I can remember in our Officer candidate school, in our barracks we had 34 of us in there, when I went down to supply core school it was the same thing. I was in a barracks with guys down there. And again, it was all male and I said to myself, Bill, you love this woman so why don't you get married? And that's where I made up my mind to get married. And so we started our married life there and then after that we were transferred briefly to Hawaii for firefighting school and things like that before we went to Kwajalein for a little over a year and then from there we went to the amphibious base south of Coronado on the strand there. We had 27 landing craft. I was supply officer for the food and the parts and the ammunition. We had about five people in each one of these landing crafts. The front would come down and the tanks would roll off, and the Marines would roll off. That was great duty too. I enjoyed that. I had a difficult commanding officer there however. He had worked his way up from an enlisted man and he didn't like college graduates who were in the Navy and so it was pretty tough serving under him. He gave me every difficult job there could be. Nonetheless, the experience of working with these 27 crews was a fascinating experience. We would go out for gunnery exercises, shooting at barrels and everything like that and I really realized how hard it was to hit anything with these machine guns

that we had because of the wave action and things like that. So it was an eye-opening experience for me. But it was very good duty because we came back after living in Kwajalein. We came back to rent a home originally in Coronado and then after that I rented a home in La Jolla for a short time. And I would get on Highway 5 at five o'clock in the morning and go down and use the ferry to cross over at that time from San Diego to Coronado. There wasn't any bridge, so you drove your car into the ferry. My wife and I enjoyed our duty there. Our first son was born on Kwajalein in the Marshall Islands. There was a small infirmary there and I remember we had to kick a dog out of that room before the birthing. (Laughter) and my second son was born there-

JE: Let's name them, first of all your first son's name?

WW: Stephen, and my second son is William, and he was born there in La Jolla while I was in the Navy. And then I came back and I spent the first year in Midland and then came back to Tulsa where my daughter Carolyn was born. She was my third child and John-Kelly was my fourth child. I had three sons and a daughter. We were married for 16 years and I was just under so much pressure that I didn't realize how much pressure I was under. I just thought that was normal. I think I was so involved in trying to make money, and I had the pressure of trying to build this oil company. And so, after 16 years my wife divorced me. Once the divorce happened in 1973, my mind was just shattered. And my dad and mother told me they wanted me to take a year off and go down and live near my sister Pat who lived in Florida. So I went down there for a year. I lived in West Palm Beach and I had two of my children with me, the two older children. My wife had the two younger children. I wound up doing some things with some Notre Dame friends. And I got in the housing business. And I was building-I actually built four homes up around a little place called Hobe Sound. Three of them were right on the ocean and one of them was on the inter-coastal. So I did that and then I had a very good friend here in Tulsa by the name of Harrison Townes, who's an outstanding geologist. I participated with him before this disaster happened in my marriage. And so I would come back and participate in wells here and I was still on the First National Board and the Williams Companies Board and so I would come back for those board meetings and so I would come back to Tulsa once a month.

Chapter 9 - 3:45

Warren Petroleum

William Warren: I stayed longer in Florida than a year. I became sort of enamored with what I was doing down there because I didn't have any pressure on me and I loved that. So

rather than staying one year, I wound up staying seven. Two years before moving back, I had met this lady at a cocktail party. Things are very different down there. By that time I had purchased a home and I dated a girl for a couple of years, and that didn't go anywhere. So I was still at home raising my children and I was doing a lot of watching TV but particularly reading a lot. I loved to read fiction and all that. So she called me up and said, "Can we have a drink after work?" And I said, "Well, sounds good, why don't we just include dinner?" Because I wasn't dating, I've been at home for 4 or 5 months. We started dating and as I said we dated about two years before I moved back to Tulsa because of the booming oil business at that time in 1980. I moved into the Reunion Building downtown now it's in between the Bank of Oklahoma and the Chase Manhattan Bank. So I started my own oil company there and called it Warren Energy Corporation and my oldest son had graduated with a land management degree from the University of Oklahoma. So he came in with me and we had a person to answer the phone and do typing for us and help with contracts and things like that. I operated that company from the summer of 1980 until about the spring of 1983 and I ran out of money. We had some significant wells and I had investors. I had some very good people in Tulsa who have invested with me. Henry Zarrow was one of them. Bob Lorton was another one. They supported me and believed in me, and I did well for them. I made money for them, but it really took a lot of money to buy leases at that time and so wells were costly. And about that time my dad fell and broke his hip and went up to Mayo Clinic for the operation. And I went up to the Mayo Clinic and asked him if he wanted me to work in the Foundation. And he said, "Well, I've been waiting for you to tell me that you wanted to do that." And that's when I started to work with the William K. Warren Foundation. I was their chairman and chief executive officer for 22 years before I stepped down four years ago and my son John-Kelly took over.

John Erling: The lady you met who called you and said let's go for a drink, what was her name? Did you ultimately marry her?

WW: I ended up marrying her yes.

JE: And her name?

WW: Suzanne Margonaut. But I moved back to Tulsa and, like I said, I moved back in the summer time and we continued to correspond and see one another and in late November we decided to get married and we were married in December. She didn't have any children so I wanted her to have children. Together we have had Andrew who is 27 now and he works in the oil company with me. And then I have a daughter. We have a beautiful daughter by the name of Dana and she's a medical student at Vanderbilt University and she's getting married here on January 1. It's like the Navy they get 3 days off.

JE: I believe in 1956 and you were 22 years old, your father sold-

WW: He sold Warren Petroleum to Gulf Oil. But they sold out for many millions in 1956. That was sort of a shock to me too because having had that experience in oil business I always thought that I would go in to eventually work with Warren Petroleum. I understood it, but didn't quite understand it so well at the time why dad sold it. But I made my real money in the cellular telephone business.

Chapter 10 - 4:30

Cellular Phones

William Warren: I was living in Florida at the time and my dad called me and wanted me to become a member of Augusta National and I wasn't too interested in doing it. But he pushed me into it and said, "Well, I know you'll enjoy it when you get older." and so on. And so he really wanted me to do it. And so I became a member of Augusta National in 1979. Local people in Augusta are mostly doctors and lawyers but mostly it's heads of corporations from all over the country—the head of Chevron, Bethlehem Steel, United Airlines all these different country companies and everything. And I met a friend there at Augusta who I had had worked with me on the water business. My brother-in-law married to my sister Pat down in Palm Beach, he was a distributor for Warren Petroleum, but he also got into the bottled water business. He had the trucks and you would take it around to the houses and the corporations. Well, it was my brother-in-law who introduced me to this fellow who had the source or the spring that the water came out of it was in the mountains in Georgia. This fellow lived in Atlanta. So we went through the parameters of eventually buying out this man. We got down to the 11th hour and I said, "No, I really don't want to do this business." And he did. He went on with the company and did very well with it. But I can remember being in touch with this friend in Atlanta and he had an attorney that he wanted me to visit with, because he was a stockbroker before he got into the water company. And we talked about different businesses and so on and at that time cable television was becoming very popular. I had this attorney come to Tulsa to tell me all about the cable television business and how I could get into it. And it looked like I was too late to get in it, because this was about 1984 or 1985. And he got up to leave and he was going out the door and he said, "You ought to look into the cellular telephone business." And I said, "Tell me about that." He told me these franchises are coming up by lottery in Washington, D.C. So I invited him back in, and we sat down, and we talked about the cellular telephone business. You had to make an application for specific markets. The metropolitan areas had been going along and they were probably midway through those and then they went into the larger statistical urban areas and everything. You put up about \$25,000 per

application. At this point in time in 1984, 1985, I was controlling my own trust. My sister Natalie, regrettably and very sadly had died of cancer on her 49th birthday. So my dad allowed me to control my own fortune. So I put up several of these applications and I won Eugene, Oregon and I won Ponce, Puerto Rico. So here's Ponce, Puerto Rico down here and here is Eugene Oregon up there and I decided to try to operate those would be very difficult. We opened up the one in Ponce, Puerto Rico just say it was operating. But the McCaw Brothers were very much pioneers in the cellular telephone business. They were from Seattle and they wanted to have all of the West Coast. At any rate, I sold the Eugene, Oregon business to the McCaw Brothers and then later on sold Ponce, Puerto Rico. I was fortunate enough to win a third concession that was the Catskills in New York there just outside of Albany over to Binghamton. We had all that space in there so I started in the cellular telephone business and went to New York and interviewed different engineers to manage the company and fortunately found a good man and he got everything technically set up but he couldn't sell. So I had to let him go and get a marketing man. And that was quite an asset. I'd built it up to be very profitable. And about that time, I think it was 1990 or so, the government came out and said well we're not going to protect the telephone company that are there, the land lines and whoever has the cellular telephone business. We're opening up business for everybody to participate. We were beating NYNEX hands-down. I mean such a large corporation as that utility. The people that were their salesmen really weren't hustlers. They weren't out getting the business.

John Erling: What was the name of your cellular company?

WW: Warren Cellular One. We were a Cellular One franchise. Bt that point I decided to exit the business but that's what really made me a wealthy man.

JE: The cellular business?

WW: The cellular telephone business.

Chapter 11 - 6:25

Founding Saint Francis

John Erling: Let's come back to your father and the starting of the hospital. In 1960 was when the doors were opened and your father was 63, you were 26. Do you know what was in his mind—how he came to that point I want to begin hospital?

William Warren: That John is also a very good question. I think he'd had it in the back of his mind, that lady at St. Thomas Hospital in Nashville because he had a paper route in that hospital, and he saw how sick people were, and he wanted to help them. So he wanted to build a hospital with his own money and not ask anyone in the city to put in any money

at all. While I was in the Navy, before I was discharged in 1959, I can't remember when it was, 1959 or '57 or '58, I came home on leave and we walked all over out here at 61st and Yale. He had bought another property on Darlington not as large as this property out here, but it had coalmines underneath it and he thought that would be a problem, or he was told it would be, so he had to find another location. He wanted to get my view on what I thought of this property. Of course I loved it I thought it had a great view of downtown and I was thinking myself at that time, well if I wasn't in the Navy I'd buy that property over there that the city now owns too, which is now will LaFortune Park. I said that would make a great place for a golf course (laughter). At any rate Mr. LaFortune saw that too, or the city went to him on it. But his concept was to give back to the city. He was a very, very charitable man. He felt that God blessed him with every penny that he had and the best way to help mankind was to help them with their health. The most sacred thing you can have in life is religion, and the second is good health. Your company and other things are not nearly as important as a person's health, and particularly in your later years. And so he wanted to try to develop Mayo-type image here in Oklahoma. And we were so far out in the country at that time. I think the city limits were about 31st Street and Yale. He took a gamble and built 200 beds out here. I would go with him to pitch (the idea) to doctors to move out here. I remember particularly the Springer Clinic, we'd have nighttime meetings with them and in those days you could do this. We said, "We'll build you a building and let you have it rent free for the first year to see how your business goes." Well, their business went up 150% once they moved in across the street from Saint Francis. We were also making pitches to other particular doctors. I remember going to see Norman Dunitz, we didn't get Norman Dunitz, but we got Dr. Tompkins, we got Dr. Thompson-C.T. Thompson, and Lindstrom, the pediatrician. We had a lot of key doctors that came out that sort of were the pillars of building Saint Francis. And so he wanted that type of image. It always bothered me that if he wanted that image why didn't he try to start a clinic like Springer or one there close to St. John's? I mean it was those two Mayo brothers who were doctors who built that clinic into something. In our history of things we decided we would start Warren Clinic. I think that's going to be an important thrust force for us in the future as well as our brain research that we are doing. We built a new building over here on the Laureate campus and we have employed seven investigators from the NIH in Baltimore who were doing brain research there in particular areas like depression and eating disorders. We are probably the number one institution in the country on eating disorders. We are very interested in our Saint Francis image growing because of our research now and because of our Children's Hospital that it's unique.

JE: When he started to build the hospital, your father, St. John was in existence and was that the only hospital?

WW: No, Hillcrest was there. Hillcrest has always been there.

JE: Okay, all right. Some people wonder why are you building another hospital? Did they understand or did he have to prove a need for the hospital?

WW: Probably, to some degree. I don't think there was a whole lot of talk about that. He tried to build it down on the park there at 21st and Peoria.

JE: Woodward Park?

WW: Woodward Park. And boy the city went up in arms on that and I think that's maybe where you're coming from in your question when you said were people questioning the need for another hospital. Because they attacked him about the Woodward Park location by saying we don't need another hospital there. Well, dad knew what he wanted to do as far as the hospital. Again, stemming from this experience he had had in St. Thomas Hospital in Nashville. He wanted to build a hospital, so they weren't a stop him. He came out here and took the big risk. For the first year, he couldn't pay the salaries. And the hospital was in the red. So he paid that out of the Warren Foundation. That's what paid their salaries.

JE: Why did he name it Saint Francis?

WW: Because his feast day that he was born December 3 was St. Francis Xavier's feast day in the Catholic Church.

JE: He associated the hospital with obviously the Catholic Church, and Catholic teachings, but it never became a property of the church itself.

WW: No.

JE: But he wanted the influence of the Catholic teachings in the hospital.

WW: Yes, we had Cardinal Spellman come down for the dedication from New York and it was the largest Catholic gift ever given so to speak to the Church in the name of catholicity—although the owners of Saint Francis Hospital are the Bishop of the City of Tulsa, Henry Zarrow, and myself. We are the three primary trustees. And then we have our Board of Directors that manage the hospital along with the CEO and the other officers. A lot of people don't know that about who really owns Saint Francis. But we don't feel like it's an asset of ours. We are managing it for the Catholic Church. We have meetings once a month with the management of St. Francis, where John-Kelly, Bill Lissau, Mark Buntz who manages their investments for Saint Francis Hospital. They're all Foundation employees who are up on the ninth floor. There were 200 beds up to 1000 beds, then, they cut back, and now they're probably back up to 900 beds. But for Saint Francis Health System, exclusive of the Children's Hospital, we've not asked the public for any money.

Chapter 12 - 5:44
Children's Hospital

William Warren: We have (asked for money) for the Children's Hospital for this reason. It came to our attention that people thought we were too aloof out here, and didn't care that much about the community, or something. I don't know what it was. But we decided well, gee, we better go out and seek some friends and see if we've got people who will give money to a Children's Hospital. We were told never to build a Children's Hospital. Because they hardly ever make money, I mean to survive. Very few of them do. We've had analysis after analysis since the beginning of time about the other Children's Hospital that was out here on Skelly Drive terminated. Well, we started making our own analysis and they said don't go into that business. John-Kelly's idea was to do it, and Jake Henry's idea was to do it. Both of them wanted to do this despite the fact that they'd be losing money. I think they are losing money today. But we created a different board of people here in Tulsa to serve on the board because we wanted some friends in Tulsa. That was the idea to deviate from my dad's plan.

John Erling: Very simple question here, why is the hospital pink?

WW: It was my mother's favorite color. (Laughter) she had a warm personality and I think that the roses in her courtyard we're always pink.

JE: The doors opened with 275 beds, then expanded to 735 in 1969.

WW: Yes.

JE: Then you open on the 15th anniversary of the hospital the Natalie Warren Cancer Center.

WW: Yes.

JE: That must have been difficult.

WW: Especially with my sister dying on her birthday, but we wanted to do something in her name. The hospital but eventually got up to being 1,000 beds under Sister Blondine Fleming who was administrator at that time.

JE: So the Cancer Center was actually the first of its kind I believe with all services or most of them, like chemo and radiation all in one location.

WW: Yes.

JE: All in one location.

WW: Yes. It's very well managed today.

JE: In 1979, the LifeFlight was launched—a helicopter service, the first of its kind?

WW: Yes.

JE: And then in 1995 the Children's Hospital at Saint Francis.

The Laureate Psychiatric Clinic in 1989, a chemical dependency and eating disorder program.

WW: Yes.

JE: It must make you and certainly your father if he'd known about that-Saint Francis Imaging Center, the Saint Francis Heart Hospital, and here in Oklahoma particularly (we have) a strong need for that since we are 4% above the national average in need of heart services. Because we are high in smoking and we have high cholesterol, high blood pressure and lack of exercise.

WW: Well under my 22 years that I was chief executive officer we built Laureate in 1989, we started the Warren Clinic and I think we're up to 300 doctors now in the Warren Clinic. Then we opened up the hospital and Broken Arrow, a general hospital there. And then we opened up a Heart Hospital. That Heart Hospital has now moved back to this campus for various reasons. But those were three additional hospitals: the psychiatric one, the Heart Hospital and the general hospital in Broken Arrow which we have now expanded and are completing office space for doctors there. I'm so glad we started the Warren Clinic because the doctor groups that originally started to help Saint Francis grow decided they wanted to start their own hospital as you know. And they pulled away the orthopedic groups, then the surgical, neurology. Because we have a clinic, we wanted to refer to our own doctors rather than the other doctors. The reason we went different ways is they wanted to have more money from our technical services that we did in the hospitals such as x-rays and rehabilitation and things like that. They wanted to invade those income sources to join what they were getting as doctors. I'm talking about the Orthopedic Hospital of Oklahoma, which has a different name now. It's down at Oral Roberts' facility.

JE: Speaking of Oral Roberts, when he wanted to build his hospital and the feeling was I think of other hospitals that Tulsa was over-bedded the way it was. Were you involved in any of that?

WW: No, I wasn't involved in any of it.

JE: Okay, you have been involved in the oil business, the construction business and the hospital business-

WW: The cellular telephone business and the horse racing business. That's a business and not a hobby I might mention.

JE: Okay, I'll get to that, but I was just thinking is the hospital business more complicated of all of those businesses?

WW: Of all of them, it is absolutely the most complicated. You're subject to so many regulations. It's just extremely complicated. The main thing that we worry about from the Foundation point of view I'm sure from the management of the hospital too, is your quality service. In other words, you have to provide quality care.

JE: And here you taken so many people also without insurance and ultimately your Foundation apparently has to absorb that cost.

WW: Well it has been doing that. Last year I think it was above \$40 million dollars of people

who couldn't pay their bills, the poor that would show up at the emergency room. The public doesn't get that very well, but we provide that.

JE: The public doesn't understand it.

WW: They don't understand it, but we want to provide it. We want to take care of people who can't afford to pay.

JE: So here in 2009 as we talk, not everybody in America has health insurance, and that's what the conversation is about. So I would imagine you are following this pretty closely.

WW: Yes, pretty closely. There are facets of it that I don't like, and facets I think are good.

Chapter 13 - 3:53

Future of Hospitals

John Erling: The future for hospitals—today there are so many specialty hospitals that we've referred to. The need is great as the population grows, can you even speculate years and years from now the model of the hospital? How do you envision this property of hospitals to be, say 20 or 50 years from now?

William Warren: I think hospitals eventually are going to become like utilities. I think there's very little room anymore for innovation. We're looking more to the future of having a strong research effort and providing for children, which we think are the most needy patients.

JE: So 50 years from now you could be known as a research hospital discovering new cures or whatever coming out of this Clinic?

WW: Prayerfully, yes.

JE: And the Children's Hospital would be your main-

WW: And otherwise, it's going to be like ONEOK or Public Service of Oklahoma type of company.

JE: Wow. Your father is quoted as saying, "Just making money for somebody is one thing, but saving lives is something else."

WW: Yes. He carried that within his heart all of his life. He was a very charitable man and very interested in helping people and healthcare in any way that he could.

JE: It's got to make you feel good to know how many people are—I don't know if you think about it—probably not daily, but how many people's lives are being saved here on this campus.

WW: Well, I think particularly they are in the neonatal unit of the Children's Hospital, a lot of lives have been saved there. A lot of lives have been saved from the Cancer Center as you mentioned earlier that department. Needed surgeries, we constantly hear of someone going in the hospital for surgery yesterday and talking to them this morning about how well they are doing, things like that. I don't think you can put numbers to it.

It's a concept. It's a thought. It's a belief. We believe very much in helping mankind that's what the William K. Warren Foundation is all about, is helping mankind.

JE: You just wonder, like there is a plan from the man upstairs. Because when your father had that experience. He meets someone in the hospital and how much this hospital has meant to this community today. Which he never knew that-

WW: He never envisioned it, that extent I don't think.

JE: And how it came to be and it could have been a failure, but it wasn't. It was a plan.

WW: He took that risk but he had his business plan, so to speak, in mind.

JE: So the WK and Natalie Overall Warren's contribution to Saint Francis marks the largest gift given to a hospital in the United States by a single family.

WW: Yes.

JE: John-Kelly your son is now the chief executive officer?

WW: Yes and doing a good job.

JE: And here in this day and age would you venture to say it's more difficult than ever to operate a hospital then it was back then?

WW: Those are the exact words I would use John. It's much more difficult than ever. It's not a happy business to be in necessarily. I mean you can worry about so many things and it's more complex and it requires more requirements. It's much, much harder than even John-Kelly envisioned, I'm sure. Fortunately, we have a very outstanding administrator in Jake Henry who came to us with experience from Corpus Christi and knew what he was doing, knew how to do it and brought some good people with him from that health system there that we put in place here.

JE: It must make you proud to be able to hand off this to somebody in your family because that doesn't always work. Just because they are born to you doesn't mean they have the ability to do that.

WW: Exactly.

JE: And here you have a third generation now to operate this in John-Kelly.

WW: Well, that gives me a great amount of pride that one of my children has the wherewithal, faculty of mind and the spirit to do this.

JE: And The Warren Foundation donated The Warren Golf Course to Notre Dame.

WW: Yes.

JE: They donated to the infirmary now known as the Warren Health Center at Notre Dame.

WW: Yes.

Chapter 14 - 5:56**Horse Racing**

John Erling: But I do want to talk about racing.

William Warren: Sure.

JE: How did you first become interested in racing?

WW: Again my dad used to take me to football games and I would go with him in the early years to California. And anyways I went to the Del Mar Racetrack as part of his entertainment. We would play golf and then he would go to the races. He had a regular table out there and so I became familiar with horse racing just being around him and he knew some of the owners. And we would talk to some of the owners from time to time. And he never wanted to own a horse, and I never thought I would own a horse. Except that a good friend of mine asked me, "You know, you seem to enjoy racing so much, why don't you own a race horse?" I thought about it and I started with one. Then I started buying three and I built that up a little bit but-

JE: And you've had success in the horseracing business?

WW: Yes.

JE: You had one Breeder's Cup starter?

WW: We won the Breeders' Cup Classic Championship, which was the biggest race held on the Breeders' Cup day. The purse in that race was \$4 million dollars. We won that and we became horse of the year and outstanding older horse of the year in 2005. But I've had a subsequent success with Denis of Cork running in the Kentucky Derby. He was third in the Derby. Last year we had a horse called Charitable Man. He had won enough earnings to qualify. He had won enough races and enough money to be in the Derby. But he had just come off the injured list so my trainer and I thought, well it's probably best not to go in the Kentucky Derby. We've been kicking ourselves ever since because the jockey who rode for us on Denis of Cork, it was a fellow by the name of Calvin Borel and this past year when we had this horse Charitable Man, Calvin Borel would have been our jockey. And he won the Kentucky Derby on Mine That Bird.

JE: It brings up the question then how important is the jockey in winning?

WW: Very, very much important. It depends on how your jockey manages that horse through the race—particularly out of the gate. You've got to get your horse to relax and settle in. On short races like 5 furlongs or 6 furlongs, a lot of them just want to go full-bore right to the front, and they can win wire-to-wire. Generally, it's better to conserve your strength and get your horse to relax at first. Do you get him in on the rail, or do you go on the outside? Like a recent race of mine my horse was seventh in only seven horses in the race. The mud was so thick that day that you just couldn't believe the number of goggles

that these jockeys were changing because of the mud. Well, I felt really good with us being on the outside, yet that jockey didn't stay to the outside, he went into the middle group. We still won the race but I think our horse got some mud in his eyes that he didn't need to get if he'd had stayed on the outside. And that's why Borel won the Kentucky Derby last year, is that all these other horses were fighting for their particular positions on the track at the different poles as they pass them and everything. And he just hung back and stayed on the rail. In fact, they call him a rail jockey. He came along the rail and beat everybody. So the jockey's strength is very important. The jockey's brain is very important. Jerry Bailey is the jockey I probably admire the most. He was a Hall of Fame jockey who rode Saint Liam and that championship race the Breeders' Cup Classic.

JE: How do you get a jockey to ride your horse?

WW: Generally, through your trainer. First of all you read as much as you can about every trader you might be interested in. A big factor there is determining how many horses he has in his barn. My theory has been to get with lesser-known trainers that might have only 20 or 30 horses. A trainer by the name of Todd Pletcher might have 500 horses. He's got different sub-trainers at all these different tracks throughout the United States. But I want to be important in my trainer's barn and establish a good chemistry with him. And then we talk about who we are going to have ride our horse in these races. And who were taking off of our horse if he didn't ride a good race.

JE: So you are obviously very active in all of this?

WW: You've got to make that final decision on the jockey is up to you. And the race-is it a mile race or is it a 6-furlong race?

JE: Would you and your trainer talk about your plan for the race for jockey and tell him this is the way we want you to run it?

WW: Yes.

JE: Or does the jockey determine that?

WW: The jockey determines that by reading very religiously this racing form and looking up the past races of that horse and where he likes to run and where he thinks he needs to have this horse in relation to other horses are in the race. So the jockey comes up with his strategy. Generally you can trust that for 90% of the races. When you get into races like the Breeders' Cup or the Kentucky Derby you want to sit down and talk with that jockey and figure out where he's planning to be at each pole. The owner should do that.

JE: Early on in a race, when he doesn't get to those points do you begin to think this is falling apart maybe?

WW: Yes, yes. We've seen that too often. We've seen it where a jockey can't hold back the horse from wanting to go, go, go. He can't relax him. We talk about certain jockeys having soft hands-it means he can make that horse relax and not worry about seven or eight horses

being in front of him. And then he makes one big run once he gets to the top of the stretch.

JE: That's interesting because all the horses want to run full-bore coming out of the gate?

WW: Generally speaking they do.

JE: So, it's an effort to manage that energy.

WW: You've got to train them yes. You call that rating them. You've got to rate them off of that lead horse. In other words don't go off and expend all of your energy at first. I've never liked to have a wire-to-wire winner where he goes out front and stays out front, because too often you're going to be disappointed. And you wind up second or third, or worse than that, losing ground the last 1/16th of a mile.

Chapter 15 - 6:40

Jockeys & Auction

John Erling: Obviously you've been up close to the horses. I know you like the sport of it. Do you like horses? Their personality, talk to us a little bit about that.

William Warren: I do. I like the challenge of horse racing. You're competing against every other owner and that's the addiction I have to horse racing. I am now at my age of 75 going to try to lessen my number of horses. And I will eventually phase out of the business because I'm getting older now. I bought my very first racehorse when I became CEO of the Foundation when I saw what I was getting into and that was 1983. So my idea is to phase out of the business but I like horses very much. They're all different. Some of them will bite you. I'll go up and pet or feed and you have to be very careful when you're feeding them and they will relate to my wife and not relate to me necessarily. But I'll go up to a stall say with Saint Liam I'll go up and talk to him just like, sort of like baby talk. Are you going to win today? And he'd raise his head up and down because I'd be racing my head up and down. (Laughter) And he would react. He was a very intelligent animal. He would get out on the racetrack and he'd just stop once he got out there for a workout, and see all the other horses, how they were working out. And probably saying, "I think I can beat that guy." Then he'd go out and do his work out for that day, a half-mile or three quarters of a mile or whatever. So there is horse sense I think. And they certainly know one individual from another.

JE: I was wondering about that. Would Saint Liam know you?

WW: Yes. Before the tragic accident where he slipped and fell and broke his femur in 20 places being taken from the stallion barn down to the paddock barn. He was so anxious to race another horse in the paddock, the horses will race by themselves along the fences of these very large paddocks. My wife and I were there and we were feeding him.

They particularly like peppermints. We were feeding him peppermints and having a nice time with them and we were there for a little while. And all of a sudden he backed up and he turns completely around and the groomer there with them he says, "Why he's facing that way is that's the stud barn. That's where they go down and mate with the female horses. He can smell the female horses down there and he wants to go down there."

JE: It must be a thrill to own a horse and be in the thick of a race like the Kentucky Derby or the Breeders' Cup.

WW: Yes.

JE: I mean that's got to be a rush!

WW: It is unto itself. I don't know why we turned down running in last year's Derby. I mean we had one race after his injury, Charitable Man. He didn't race well and I think we came in fourth. We over-thought the situation. You can do that in business of any kind, over-think the situation. Football teams can maybe do this too I think. But, we raced him in the Belmont. We got in the stretch drive and we were really starting to make our move and another horse came out and bashed us where we had to pull up and we staggered home fourth. And they should have downed the horse, the steward should have. But the owners of that horse are one of two of the most wealthy people in the business and they put a lot of money into the business and I think they paid like \$7 million for this horse so they didn't take him down, which they should have. But he, actually everybody says, you can see he bashed us and our jockey had to pull up and get out of the competition and we were lucky to finish fourth in the Belmont. So we kept him for the Belmont and our strategy wasn't good. We should have run in the Derby, we would have done better. Maybe we would not have won it, but I know Calvin would have done well.

JE: And here we are in 2009, do you have in the coming year 2010, horses that you'll be running?

WW: We hope. We've got one by the name of Desert Lord, who we've got a great deal of hope for. I've had a little more luck lately with fillies than with colts. I always bought Colts but then in the past four years or so I've got a filly or two and they've turned out to be excellent winners for me. They've won a Grade 2 race. Races are graded. The top of the races are Grade 1, then you have Grade 2, Grade 3, and then you have a stakes race. These are also called a stakes race, the Grade 1. But, it's just simply called stake race then you go down to (inaudible) race and then you go down to maiden races and then you go down to claiming races. So these fillies that I've had that have won Grade 2 races or they've won Grade 1 races, I've kept two of them for breeding purposes. I don't know if I will keep them. But it's a different business altogether breeding and racing.

JE: Do you enjoy being in the barns and being around and having boots on and all that?

WW: Oh I do, yes I love that. And my family does too.

JE: Do others in the family...have they caught the spirit for horse racing?

WW: Yes, very much so.

JE: So you have passed it on then to some younger generations?

WW: Yes. (Laughter) and I just hope they don't go into it. Because it can get pretty tough if you don't have one horse that carries the barn. I've been fortunate with like Charitable Man or Denis of Cork or Saint Liam have carried the other horses so I haven't made a great deal of money out of it, but I haven't lost a great deal of money out of it. But it's very tough to get to the top. In view of the competition today, you have people in the business like Kendall Jackson Wines-very big in the business. The Irish are very big in the business. People by the name of John Magnier and Tabor and Derrick Smith, they can spend a lot of money. Up until the current time the sheiks from Dubai might buy a yearling for \$15 million dollars. I mean it just blows your mind. Once you know if they're in the auction place and you know they're bidding, you just drop out. Because you know they can buy the horse.

JE: You are involved in buying at an auction?

WW: At auction we go back to Lexington, Kentucky generally.

JE: So then you have to have an eye for that horse.

WW: Well I have to get a bloodstock agent. A fellow that has raised horses knows all about the muscles of horses. And he can look at their shoulders and can look at their hips and see how they walk-in a straight line or do they toe out? Or what's the length of their stride? And I also bring in another service to analyze their hearts, the size of their hearts. So that when they're pushing blood through on that last stretch, do they have the heart that can handle that much flow of blood? So there's a great deal of analysis to pick out one of these and then you've got to be pretty savvy in the bidding on them. You definitely want to have a bloodstock agent recommend certain horses to you and then you go out and decide which ones you want to bid on.

JE: I think that horses are the most beautiful animals.

WW: They are. The most graceful, they really are. To see one in stride is a thing of beauty.

JE: It is.

Chapter 16 - 3:47

Advice to Students

John Erling: Okay, advice to students. We've already gone over the fact that you represent oil and gas, the medical profession, horse racing, the cellular business, construction-advice to students as they're coming out of school or going into any one of these professions, do you have any words?

William Warren: I would say to this student, find what your passion is as far as work.

Determine where you might have a leg up because of your abilities either mathematically or statistically or analytically or a salesmanship quality. Whatever your personality lends itself to, I think you want to pursue it with great passion so that every day you go to work you're happy. I talked to a very successful person this morning. He is grooming his two sons to take over the business from him when he retires. And the one son who has excellent managerial skills gets up to work out at 5:30 every morning and he's at the office by 7:30am anyway after he's had breakfast and he's not afraid of spending long hours to learn the business. I had to spend a lot of long hours Saturdays and Sundays to study the horse racing business because it was not my daily operating business that I did Monday through Friday. I would come out on Saturday mornings and look at the books that had the horses that were being sold in them to analyze them. I would look at tapes, watching them run in practice runs. So, I think if you want to be successful you should find out what you love and pursue it with all vigor. But do not, and I say this very emphatically, do not sacrifice your family, the love of your wife, or the love of your children. Take time to coach your children if you have that ability in sports—and take time to listen to them, and to help them grow into fine citizens. And I think that your family should come before business, but I think you'll find a few extra hours that you can put into your business where your family is otherwise occupied in school or other endeavors.

JE: Very good. I don't know if this is a silly question because we always ask people how you'd like to be remembered and 25 or 50 years from now?

WW: I would like to be remembered as a team player. I think the wise counsel I was given was to surround myself with people who were smarter than me. It's just like in horse racing—you have to have a bloodstock agent. I mean if I were to go out and look for horse, you know I don't do it every day and they do. So I think that I am a manager of people. I hope I've had this vision to see niches for the success of Saint Francis Health System. And I think you learn those niches by reading industry periodicals, coming up with ideas that you can test with people who are knowledgeable. So I'd like to be remembered as a team player.

JE: Very good. Well I thank you for this time. You've given several hours of your time.

WW: Well John, I'm very flattered that you would want to interview me. I thought so highly of you over the years. I've listened to your broadcasts and if anybody can see zero in or drill down to the essence of something you have that ability and it's a God-given gift that you have. So I've admired you for many years and it's been a great pleasure for me to spend this time with you.

JE: Thank you Bill, I appreciate it very much.

Chapter 17 - 0:28**Conclusion**

John Erling: You've been listening to William K. Warren, Jr. tell his story and that of his father William K. Warren, Sr. and Saint Francis Hospital. William K. Warren, Sr. is a remarkable story of a young 19-year-old from Nashville, Tennessee who became an entrepreneur and wanted to give back to his community. This interview was brought to you through the generosity of our underwriters and made available on **VoicesofOklahoma.com**.