

META FINANCIAL GROUP INC  
Form DEF 14A  
December 23, 2009

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant  X

Filed by a Party other than the Registrant  O

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Meta Financial Group, Inc  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  - (4) Proposed maximum aggregate value of transaction:
  - (5) Total fee paid:
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  - (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:

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121 East Fifth Street/ P.O. Box 1307 / Storm Lake, IA 50588

Phone: 712.732.4117 / Fax: 712.749.7501

800.792.6815 / www.metacash.com

December 22, 2009

Dear Fellow Stockholders:

On behalf of the Board of Directors and management of Meta Financial Group, Inc. ( Meta Financial ), we cordially invite you to attend our Annual Meeting of Stockholders. The meeting will be held at 1:00 p.m. local time on Monday, January 25, 2010, at our main office located at 121 East Fifth Street, Storm Lake, Iowa.

The attached Notice of Annual Meeting of Stockholders and Proxy Statement discuss the business to be conducted at the meeting. We have also enclosed a copy of our Summary Annual Report to Stockholders and Annual Report on Form 10-K. At the meeting, we will report on Meta Financial's operations and outlook for the year ahead.

We encourage you to attend the meeting in person. Whether or not you plan to attend, however, **please read the enclosed Proxy Statement and then complete, sign and date the enclosed proxy card and return it in the accompanying postpaid return envelope, or authorize a proxy by telephone or through the Internet site designated on the enclosed proxy card, as promptly as possible.** This will save us the additional expense of soliciting proxies and will ensure that your shares are represented at the meeting. **Regardless of the number of shares you own, your vote is very important. Please act today.**

Your Board of Directors and management are committed to the continued success of Meta Financial and the enhancement of your investment. As President and Chief Executive Officer, I want to express my appreciation for your confidence and support.

Very truly yours,

J. TYLER HAAHR  
*President and Chief Executive Officer*

**META FINANCIAL GROUP, INC.**

**121 East Fifth Street**

**Storm Lake, Iowa 50588**

**(712) 732-4117**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To be held on January 25, 2010**

Notice is hereby given that the Annual Meeting of Stockholders of Meta Financial Group, Inc. will be held at our main office located at 121 East Fifth Street, Storm Lake, Iowa, on Monday, January 25, 2010, at 1:00 p.m. local time. At the Annual Meeting, stockholders will be asked to:

- Elect two (2) directors, each for a term of three (3) years

**Your Board of Directors recommends that you vote FOR the election of each of the directors.**

Stockholders also will transact any other business that may properly come before the Annual Meeting, or any adjournments or postponements thereof. We are not aware of any other business to come before the meeting.

The record date for the Annual Meeting is December 2, 2009. Only stockholders of record at the close of business on that date are entitled to notice of, and to vote at, the Annual Meeting or any adjournment or postponement thereof.

A proxy card and proxy statement for the Annual Meeting are enclosed. Whether or not you plan to attend the Annual Meeting, please take the time to vote now by signing, dating and mailing the enclosed proxy card in the accompanying postpaid return envelope, or authorize a proxy by telephone or through the Internet site designated on the enclosed proxy card, which is solicited on behalf of the Board of Directors. Your proxy will not be used if you attend and vote at the Annual Meeting in person, and your proxy selection may be revoked or changed prior to the meeting. **Regardless of the number of shares you own, your vote is very important. Please act today.**

Thank you for your continued interest and support.

By Order of the Board of Directors

J. TYLER HAAHR  
*President and Chief Executive Officer*

Storm Lake, Iowa

December 22, 2009

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON JANUARY 25, 2010.**

The proxy statement and annual report are available online at [www.proxyvote.com](http://www.proxyvote.com).

YOU CAN ALSO VOTE BY TELEPHONE AT 1-800-690-6903.

**IMPORTANT: THE PROMPT RETURN OF PROXIES WILL SAVE US THE EXPENSE OF FURTHER REQUESTS FOR PROXIES TO ENSURE A QUORUM AT THE ANNUAL MEETING. A PRE-ADDRESSED ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE. NO POSTAGE IS REQUIRED IF MAILED WITHIN THE UNITED STATES. YOU MAY ALSO AUTHORIZE A PROXY BY TELEPHONE OR THROUGH THE INTERNET SITE DESIGNATED ON THE PROXY CARD.**

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**META FINANCIAL GROUP, INC.**

**121 East Fifth Street**

**Storm Lake, Iowa 50588**

**(712) 732-4117**

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**PROXY STATEMENT**

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**ANNUAL MEETING OF STOCKHOLDERS**

**To be held January 25, 2010**

**INTRODUCTION**

The Board of Directors of Meta Financial Group, Inc. ( Meta Financial or the Company ) is using this proxy statement to solicit proxies from the holders of Company common stock for use at Meta Financial 's Annual Meeting of Stockholders ( Annual Meeting ). We are mailing this proxy statement and the enclosed proxy card to our stockholders on or about December 23, 2009.

Certain information provided herein relates to MetaBank, which is a wholly owned subsidiary of Meta Financial. MetaBank is referred to in this proxy statement as the Bank.

**INFORMATION ABOUT THE ANNUAL MEETING**

**Time and Place of the Annual Meeting; Matters to be Considered at the Annual Meeting**

*Time and Place of the Annual Meeting.* Our Annual Meeting will be held as follows:

**Date:** January 25, 2010

**Time:** 1:00 p.m., local time

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**Place:** MetaBank  
121 East Fifth Street  
Storm Lake, Iowa

*Matters to be Considered at the Annual Meeting.* At the Annual Meeting, stockholders of Meta Financial are being asked to consider and vote on the election of two (2) directors, each for a three-year term. The stockholders also will transact any other business that may properly come before the Annual Meeting. As of the date of this proxy statement, we are not aware of any other business to be presented for consideration at the Annual Meeting other than the matters described in this proxy statement.

### **Voting Rights; Vote Required**

*Voting Rights of Stockholders.* December 2, 2009 is the record date for the Annual Meeting. Only stockholders of record of Meta Financial common stock as of the close of business on that date are entitled to notice of, and to vote at, the Annual Meeting. You are entitled to one vote for each share of Meta Financial common stock you own. On December 2, 2009, 2,637,815 shares of Meta Financial common stock were outstanding and entitled to vote at the Annual Meeting.

*Employee Plan Shares.* We maintain the Meta Financial Employee Stock Ownership Plan and the MetaBank Profit Sharing 401(k) Plan (collectively, the Employee Plans ), which hold collectively approximately 7.94% percent of the Meta Financial common stock outstanding. Subject to certain eligibility requirements, employees of Meta Financial, Meta Trust and the Bank participate in one or both of the

Employee Plans. Each participant in an Employee Plan is entitled to instruct the trustee of such Employee Plan how to vote such participant's shares of Meta Financial common stock allocated to his or her Employee Plan account. If an Employee Plan participant properly executes the voting instruction card distributed by the Employee Plan trustee, the Employee Plan trustee will vote such participant's shares in accordance with the participant's instructions. If properly executed voting instruction cards are returned to the Employee Plan trustee with no specific instruction as to how to vote at the Annual Meeting, the trustee may vote such shares in its discretion. In the event the Employee Plan participant fails to give timely voting instructions to the trustee with respect to the voting of the common stock that is allocated to the participant's Employee Plan account, the Employee Plan trustee may vote such shares in its discretion. The Employee Plan trustee will vote the shares of Meta Financial common stock held in the Employee Plans but not allocated to any participant's account in the manner directed by the majority of the participants who directed the trustee as to the manner of voting their allocated shares.

*Shares held by a Broker.* If you are the beneficial owner of shares held by a broker in street name, your broker, as the record holder of the shares, will vote the shares in accordance with your instructions. If you do not give instructions to your broker, your broker will nevertheless be entitled to vote the shares with respect to discretionary items, but will not be permitted to vote your shares with respect to non-discretionary items. In the case of non-discretionary items, the shares will be treated as broker non-votes. The election of directors is considered a non-discretionary item, in which case your broker may not vote your shares without instructions from you.

*Votes Required for Election of Directors and a Quorum.* Directors are elected by a plurality of the votes cast, in person or by proxy, at the Annual Meeting by holders of Meta Financial common stock. This means that the two director nominees with the most affirmative votes will be elected. Shares that are represented by a proxy which are marked "vote withheld" for the election of one or more director nominees and broker non-votes will have no effect on the vote for the election of directors, although they will be counted for purposes of determining whether there is a quorum. A quorum is necessary in order for us to conduct the Annual Meeting, and if one-third of all the shares entitled to vote are in attendance at the meeting, either in person or by proxy, then the quorum requirement is met.

If a director nominee is unable to stand for election, the Board of Directors may either reduce the number of directors to be elected or select a substitute nominee. If a substitute nominee is selected, the proxy holders will vote your shares for the substitute nominee, unless you have withheld authority. As of the date of this proxy statement, we are not aware of any reason that a director nominee would be unable to stand for election.

**Your Board of Directors unanimously recommends that you vote FOR each of the director nominees set forth in this proxy statement.**

#### **Voting of Proxies; Revocability of Proxies; Proxy Solicitation Costs**

*Voting of Proxies.* You may vote in person at the Annual Meeting or by proxy. To ensure your representation at the Annual Meeting, we recommend that you vote now by proxy even if you plan to attend the Annual Meeting. You may change your vote by attending and voting at the Annual Meeting or by submitting another proxy with a later date. See "Revocability of Proxies" below.

Voting instructions are included on your proxy card. Shares of Meta Financial common stock represented by properly executed proxies will be voted by the individuals named in such proxy in accordance with the stockholder's instructions. If properly executed proxies are returned to Meta Financial with no specific instruction as to how to vote at the Annual Meeting, the persons named in the proxy will vote the shares FOR the election of each of the director nominees.

VOTE BY TELEPHONE **1-800-690-6903**. Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the meeting date. Have your proxy card



in hand when you call and then follow the instructions. **If you vote by telephone, please do not mail your Proxy Card.**

**VOTE BY INTERNET** [www.proxyvote.com](http://www.proxyvote.com) Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Time the day before the meeting date. Have your proxy card in hand when you access the website and follow the instructions to obtain your records and to create an electronic voting instruction form. **If you vote by Internet, please do not mail your Proxy Card.**

The Internet voting procedures are designed to authenticate Meta Financial's stockholders' identities, to allow Meta Financial's stockholders to give their voting instructions and to confirm that Meta Financial's stockholders' instructions have been recorded properly. Stockholders who wish to vote over the Internet should be aware that there might be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies.

Any Meta Financial stockholder of record desiring to vote over the Internet will be required to enter the unique control number imprinted on such holder's Meta Financial proxy card and, therefore, should have their Meta Financial proxy card in hand when initiating the session. To vote over the Internet, log on to the website [www.proxyvote.com](http://www.proxyvote.com), and follow the simple instructions provided. Instructions are also included on the proxy card.

The persons named in the proxy will have the discretion to vote on any other business properly presented for consideration at the Annual Meeting in accordance with their best judgment. We are not aware of any other matters to be presented at the Annual Meeting other than those described in the Notice of Annual Meeting of Stockholders accompanying this document.

You may receive more than one proxy card depending on how your shares are held. For example, you may hold some of your shares individually, some jointly with your spouse and some in trust for your children – in which case you would receive three separate proxy cards to vote.

*Revocability of Proxies.* You may revoke your proxy before it is voted by:

- submitting a new proxy with a later date,
  
- notifying the Corporate Secretary of Meta Financial in writing before the Annual Meeting that you have revoked your proxy, or
  
- voting in person at the Annual Meeting.

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If you plan to attend the Annual Meeting and wish to vote in person, we will give you a ballot at the Annual Meeting. However, if your shares are held in the name of your broker, bank or other nominee, you must bring an authorization letter from the broker, bank or nominee indicating that you were the beneficial owner of Meta Financial common stock on December 2, 2009, the record date for voting at the Annual Meeting, if you wish to vote in person.

*Proxy Solicitation Costs.* We will pay our own costs of soliciting proxies. In addition to this mailing, Meta Financial's directors, officers and employees may also solicit proxies personally, electronically or by telephone. We will also reimburse brokers, banks and other nominees for their expenses in sending these materials to you and obtaining your voting instructions.

### STOCK OWNERSHIP

Except as otherwise noted, the following table presents information regarding the beneficial ownership of Meta Financial common stock as of December 2, 2009, by:

- those persons or entities (or group of affiliated persons or entities) known by management to beneficially own more than 5% of our outstanding common stock;
- each director and director nominee of Meta Financial;
- each executive officer of Meta Financial named in the Summary Compensation Table appearing under Executive Compensation below; and
- all of the executive officers and directors of Meta Financial as a group.

The persons named in the table below have sole voting power for all shares of common stock shown as beneficially owned by them, subject to community property laws where applicable and except as indicated in the footnotes to the table.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission (the SEC). In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to outstanding options held by that person that are currently exercisable or exercisable within 60 days after December 2, 2009 are deemed outstanding. Such shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other person. Percentage ownership is based upon 2,637,815 shares of common stock outstanding on December 2, 2009.

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Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership	Percent of Class
Ashford Capital Management, Inc.(2) P.O. Box 4172 Wilmington, DE 19807	256,063	9.82%
James S. Haahr	244,608(4)	9.05%
J. Tyler Haahr	215,172(6)	7.89%
Meta Financial Group, Inc. Employee Stock Ownership Plan c/o Meta Financial Group, Inc. 121 East Fifth Street Storm Lake, IA 50588	191,807(5)	7.37%
Dimensional Fund Advisors, LP (3) 1299 Ocean Avenue Santa Monica, CA 90401	151,289	5.74%
Ancient Art LP (7) 610 West 5th Street Suite 600 Austin, TX 78701	141,220	5.35%
Bradley C. Hanson	101,302(8)	3.72%
Rodney G. Muilenburg	94,676	3.59%
E. Wayne Cooley	77,620	2.94%
E. Thurman Gaskill	52,664(9)	2.00%
Scott W. Galit	31,637(10)	1.19%
David W. Leedom	25,733(11)	*
Jeanne Partlow	7,228	*
Frederick V. Moore	1,650	*
Directors and executive officers of Meta Financial as a group (11 persons)	950,139(12)	32.90%

\* Indicates less than 1%.

(1) Except as otherwise indicated in the table, the address for each director and executive officer is c/o Meta Financial Group, Inc., 121 East Fifth Street, Storm Lake, IA 50588.

(2) As reflected in a Schedule 13F filed on November 16, 2009 with respect to its holdings on September 30, 2009.

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- (3) As reflected in a Schedule 13F filed on October 29, 2009 with respect to its holdings on September 30, 2009.
- (4) Includes 63,676 shares which Mr. James S. Haahr has the right to acquire pursuant to stock options within 60 days after December 2, 2009, and 8,387 shares held by a limited liability company of which Mr. James S. Haahr is a member.
- (5) As reflected in a Schedule 13G filed on February 17, 2009 with respect to its holdings on December 31, 2008. The filing relates to securities held in trust by the trustee of Meta Financial Group, Inc. Employee Stock Ownership Plan (the ESOP ) for the benefit of the ESOP participants. All 191,807 shares are

allocated to ESOP participant accounts, and such shares are voted by the trustee in accordance with participant instructions and are distributable in accordance with the ESOP terms, with the effect that the ESOP and the participants share dispositive power.

(6) Includes 88,160 shares which Mr. J. Tyler Haahr has the right to acquire pursuant to stock options within 60 days after December 2, 2009, and 51,051 shares held by a trust of which Mr. J. Tyler Haahr is a trustee.

(7) As reflected in a Schedule 13F filed on November 16, 2009 with respect to its holdings on September 30, 2009.

(8) Includes 86,942 shares which Mr. Hanson has the right to acquire pursuant to stock options within 60 days after December 2, 2009.

(9) Includes 50,114 shares as to which Mr. Gaskill has reported shared ownership.

(10) Includes 31,637 shares which Mr. Galit has the right to acquire pursuant to stock options within 60 days after December 2, 2009.

(11) Includes 22,187 shares which Mr. Leedom has the right to acquire pursuant to stock options within 60 days after December 2, 2009.

(12) Includes shares held directly, as well as jointly with family members or held by trusts, with respect to which shares the listed individuals or group members may be deemed to have sole or shared voting and investment power. Included in the shares reported as beneficially owned by all directors and executive officers are options to acquire 292,602 shares of Meta Financial common stock exercisable within 60 days after December 2, 2009.

**PROPOSAL I: ELECTION OF DIRECTORS**

Our Board of Directors currently consists of eight members. Approximately one-third of the directors are elected annually to serve for three-year periods or until their respective successors are elected and qualified. All of our director nominees currently serve as Meta Financial directors.

The table below sets forth information regarding our Board of Directors, including their age, position with Meta Financial and term of office. The following directors are independent directors, meeting the criteria for independence in Rule 10A-3(b)(1) under the Exchange Act and Rule 5602(a)(5) of the NASDAQ Listing Rules: E. Wayne Cooley, E. Thurman Gaskill, Frederick V. Moore, Rodney G. Muilenburg and Jeanne Partlow.

If before the election it is determined that any director nominee is unable to serve, your proxy authorizes a vote for a replacement nominee if our Board of Directors names one. At this time, we are not aware of any reason why a nominee might not remain on the ballot until the election. Except as disclosed in this proxy statement, there are no arrangements or understandings between any nominee and any other person pursuant to which such nominee was selected. **The Board of Directors recommends that you vote FOR each of the director nominees.**

Name	Age	Position(s) Held in Meta Financial	Director Since (1)	Term to Expire
<u>Nominees</u>				
J. Tyler Haahr(2)	46	Director, President and Chief Executive Officer	1992	2010
Bradley C. Hanson	45	Director, Executive Vice President	2005	2010
<u>Directors Remaining in Office</u>				
W. Wayne Cooley (3)	87	Director	1985	2010
E. Thurman Gaskill	74	Director	1982	2011
Rodney G. Muilenburg	65	Director	1989	2011
James S. Haahr (2)	70	Chairman of the Board	1962	2012
Jeanne Partlow	76	Director	1996	2012
Frederick V. Moore	53	Director	2006	2012

(1) Includes service as a director of MetaBank.

(2) James S. Haahr is the father of J. Tyler Haahr.

(3) Dr. Cooley will not be standing for re-election to the Board of Directors at the 2010 Annual Meeting.

The principal occupation of each director of Meta Financial and each of the nominees for director is set forth below. All directors and nominees have held their present positions for at least five years unless otherwise indicated.

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*E. Thurman Gaskill* Mr. Gaskill has owned and operated a grain farming operation located near Corwith, Iowa, since 1958. He has served as a commissioner with the Iowa Department of Economic Development and also as a commissioner with the Iowa Department of Natural Resources. Mr. Gaskill is the past president of Iowa Corn Growers Association, past chairman of the United States Feed Grains Council, and has served in numerous other agriculture positions. He was a member of the Iowa State Senate and representing District 6 until his retirement in 2009.

*Rodney G. Muilenburg* Mr. Muilenburg is a retired dairy specialist with Purina Mills, Inc. Mr. Muilenburg received a B.A. degree in Biological Science from Northwestern College, Orange City, Iowa; a



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M.A. degree in secondary school education from Mankato State University, Mankato, Minnesota; and a Specialist Degree in secondary school administration from Mankato State University, Mankato, Minnesota.

*E. Wayne Cooley* Dr. Cooley is Consultant Emeritus of the Iowa Girls High School Athletic Union in Des Moines, Iowa. He is a member of the Buena Vista University Board of Trustees, a member of the Drake Relays Executive Committee, and on the Board of Directors of the Women's College Basketball Association Hall of Fame. Dr. Cooley has served as Chairman of the Iowa Heart Association and as Vice Chairman of the Iowa Games. He is a 1943 graduate of Buena Vista College, in Storm Lake, Iowa, and holds honorary doctorate degrees from Buena Vista University in Storm Lake, Iowa and Morningside College in Sioux City, Iowa. Dr. Cooley will not be standing for re-election to the Board of Directors at the 2010 Annual Meeting.

*J. Tyler Haahr* Mr. Haahr is President and Chief Executive Officer of Meta Financial Group, Inc. and MetaBank; President of First Services Financial Limited; and President of First Services Trust Company. Mr. Haahr has been employed by Meta Financial and its affiliates since March 1997. He was previously a partner with the law firm of Lewis and Roca LLP, Phoenix, Arizona. Mr. Haahr serves as Chairman of the board of directors of the Sioux Falls YMCA. Mr. Haahr received his B.S. degree with honors at the University of South Dakota in Vermillion, South Dakota. He graduated with honors from the Georgetown University Law Center, Washington, D.C. Mr. Haahr is the son of James S. Haahr.

*James S. Haahr* Mr. Haahr is the Chairman of the Board of Meta Financial Group, Inc. and MetaBank. Mr. Haahr has served in various capacities since beginning his career with MetaBank in 1961. He is Chairman of the Board of Trustees and former Chairman of the Investment Committee of Buena Vista University. He is a former member of the Savings Association Insurance Fund Industry Advisory Committee to the FDIC, and past member of the Legislative Committee of Iowa Bankers Association. Mr. Haahr is former Vice Chairman of the Board of Directors of the Federal Home Loan Bank of Des Moines, former Chairman of the Iowa League of Savings Institutions, a former member of the Board of Directors of America's Community Bankers and a former director of the U.S. League of Savings Institutions. Mr. Haahr received his B.S. degree from Buena Vista College, now Buena Vista University, in Storm Lake, Iowa. Mr. Haahr is the father of J. Tyler Haahr.

*Bradley C. Hanson* Mr. Hanson is an Executive Vice President of both Meta Financial Group, Inc. and MetaBank, and he is the Division President for the Meta Payment Systems division of MetaBank. He serves on the Board of Directors and Executive Committee for the Network Branded Prepaid Card Association. Mr. Hanson has been employed by MetaBank since May 2004. From 1991 until joining MetaBank in May 2004, Mr. Hanson was employed by Bankfirst in Sioux Falls, South Dakota, where he served in a variety of capacities, including Senior Vice President of Payment Systems from March 2001 to April 2004. Mr. Hanson received his B.A. degree in Economics from the University of South Dakota in 1988. He attended the ABA School of Bankcard Management at the University of Delaware in 1996 and the ABA Graduate School of Bankcard Management at the University of Oklahoma in 1997. Mr. Hanson has been a director of the Company since 2005.

*Frederick V. Moore* Mr. Moore has served as President of Buena Vista University in Storm Lake, Iowa since 1995. He currently serves as a director of the Iowa Association of Independent Colleges and Universities, the Iowa College Foundation and the Council for Adult and Experiential Learning. President Moore is a director of the Iowa Lakes Corridor Development Corporation and serves on the Iowa College Student Aid Commission. He previously worked in corporate America as a strategic planner, financial analyst and marketing executive. Mr. Moore is an attorney who received a J.D. with honors, M.B.A. and B.A. degrees from the University of North Carolina at Chapel Hill. Mr. Moore has been a director of the Company since 2006.

*Jeanne Partlow* Mrs. Partlow retired in June 1998 as President of the Iowa Savings Bank Division of MetaBank, located in Des Moines, Iowa. She was President, Chief Executive Officer and Chairman of the Board of Iowa Savings Bank, F.S.B., from 1986 until the end of December 1995, when Iowa Savings Bank



was acquired by and became a division of MetaBank. Mrs. Partlow is a past member of the Board of Directors of the Federal Home Loan Bank of Des Moines with over 30 years of bank management experience.

### COMMUNICATING WITH OUR DIRECTORS

Although the Company has not to date developed formal processes by which stockholders may communicate directly with directors, it believes that the informal process, in which any communication addressed to the Board of Directors at the Company's offices at 121 East Fifth Street, Storm Lake, Iowa 50588, in care of Investor Relations, the Chairman of the Board, President or other corporate officer is forwarded to the Board, has served the Board's and stockholders' needs. There is currently no screening process, and all stockholder communications that are received by officers for the Board's attention are forwarded to the Board. In view of SEC disclosure requirements relating to this issue, the Board may consider the development of more specific procedures. Until any other procedures are developed, any communications to the Board should be sent to it in care of Investor Relations.

### MEETINGS AND COMMITTEES

#### Meetings

Meetings of the Board of Directors are generally held on a monthly basis. The Board of Directors conducted 12 regular meetings during fiscal 2009. Each director attended at least 75% of the Board meetings and any committees on which he or she served.

#### Committees

The Board of Directors of Meta Financial has an Audit Committee, Compensation Committee, Stock Option Committee, and Nominating Committee.

#### Audit Committee

E. Wayne Cooley  
Frederick V. Moore  
Rodney G. Muilenburg  
Jeanne Partlow

#### Compensation Committee

E. Wayne Cooley  
E. Thurman Gaskill  
Rodney G. Muilenburg  
Jeanne Partlow

#### Stock Option Committee

E. Wayne Cooley  
E. Thurman Gaskill  
Rodney G. Muilenburg

#### Nominating Committee

E. Thurman Gaskill  
Rodney G. Muilenburg  
Jeanne Partlow

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The Audit Committee, which operates pursuant to a written charter that was attached to the Company's proxy statement dated January 7, 2008, met four times during fiscal 2009. The functions of the Audit Committee are as follows:

- Monitor the integrity of the Company's financial reporting process and systems of internal controls regarding finance, accounting, and regulatory compliance;
- Monitor the independence and performance of the Company's independent auditors and internal auditing department; and

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- Provide an avenue of communication among the independent auditors, management, the internal auditing department, and the Board of Directors.

The Compensation Committee, which has not adopted a charter, met two times during fiscal 2009. The functions of the Compensation Committee are as follows:

- Make salary and bonus recommendations to the Board of Directors and determine terms and conditions of employment of the officers of Meta Financial and MetaBank;
- Oversee the administration of our employee benefit plans covering employees generally (other than stock incentive plans administered by the Stock Option Committee); and
- Make recommendations to the Board of Directors with respect to our compensation policies and changes in year-to-year compensation packages.

The Stock Option Committee met one time during fiscal 2009. The functions of the Stock Option Committee are as follows:

- Administer our stock incentive plan; and
- Make recommendations to the Board of Directors with respect to our stock compensation policies.

The Nominating Committee is comprised entirely of independent directors, meeting the criteria for independence in Rule 10A-3(b)(1) under the Exchange Act and Rule 5602(a)(5) of the NASDAQ Listing Rules. The Nominating Committee operates pursuant to a written charter, a copy of which was attached to the Company's proxy statement dated January 7, 2008. Nominations of persons for election to the Board of Directors may be made only by or at the direction of the Nominating Committee, or by any stockholder entitled to vote for the election of directors who complies with the notice procedures set forth in the By-laws of Meta Financial. Pursuant to the By-laws, nominations by stockholders must be delivered in writing to the Secretary of Meta Financial at least 30 days prior to the date of the Annual Meeting; provided, however, that in the event that less than 40 days' notice or prior disclosure of the date of the Annual Meeting is given or made to stockholders, to be timely, notice by the stockholder must be received at the executive offices of Meta Financial not later than the close of business on the 10th day following the day on which such notice of the date of the meeting was mailed or such public disclosure thereof was made. Except as may be required by rules promulgated by NASDAQ or the SEC, currently there are no specific, minimum qualifications that must be met by each candidate for the Board of Directors, nor are there any specific qualities or skills that are necessary for one or more of the members of the Board of Directors to possess. In evaluating candidates proposed by either the Board or stockholders, the Board looks for director candidates who possess the skills, experience, professional background and commitment necessary to contribute significantly to the Board. In making its determinations, the Board considers all relevant laws and regulations as well as other factors deemed important by it (such as the present composition of the Board).

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The Company is incorporated in Delaware and has held its annual meetings in Iowa since its incorporation. Senior members of management have been present at each annual meeting to meet with stockholders and answer any questions. Historically, stockholder attendance has been limited, which we attribute to our policy of regular and detailed communications with our stockholders and investors through meetings with management and other investor relations activities. In view of the fact that stockholders have not historically attended our annual meetings, and that 7 directors were present at the last annual meeting, we have not adopted a policy regarding the attendance of directors at the annual meeting.

## Audit Committee Matters

*The following Report of the Audit Committee of the Board of Directors shall not be deemed to be soliciting material or to be incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933, as amended or the Securities Exchange Act of 1934, as amended (the Exchange Act), except to the extent Meta Financial Group, Inc., specifically incorporates this Report therein, and it shall not otherwise be deemed filed under such Acts.*

**Audit Committee Report.** The Audit Committee has issued the following report with respect to the audited financial statements of the Company for the fiscal year ended September 30, 2009:

- The Audit Committee has reviewed and discussed with the Company's management the Company's fiscal 2009 audited financial statements;
- The Audit Committee has discussed with the Company's independent registered public accounting firm (KPMG LLP) the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1 AU Section 380), as adopted by the Public Company Accounting Oversight Board (PCAOB) in Rule 3200T;
- The Audit Committee has received the written disclosures and letter from the independent registered public accounting firm required by applicable requirements of the PCAOB regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and has discussed with the independent registered public accounting firm the independent registered public accounting firm's independence; and
- Based on the review and discussions referred to in the three items above, the Audit Committee recommended to the Board of Directors that the fiscal 2009 audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2009.

Submitted by the Audit Committee of the Company's Board of Directors:

*E. Wayne Cooley Frederick V. Moore Rodney G. Muilenburg Jeanne Partlow*

**Audit Committee Member Independence; Audit Committee Financial Expert; and Audit Committee Charter.** Each member of the Audit Committee is a non-employee director who (1) meets the criteria for independence set forth in Rule 10A-3(b)(1) under the Exchange Act and Rule 5602(a)(5) of the NASDAQ Listing Rules; (2) has not participated in the preparation of the financial statements of Meta Financial or any of its current subsidiaries at any time during the past three years; and (3) is able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement. Our Board of Directors has determined that our Audit Committee has at least one member who qualifies as an audit committee financial expert as that term is defined in the rules and regulations of the SEC. The Board

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has determined that Ms. Partlow, based upon her experience, training and education, qualifies as an audit committee financial expert by virtue of the fact that she has (a) an understanding of generally accepted accounting principles ( GAAP ) and financial statements; (b) the ability to assess the general application of GAAP in connection with accounting for estimates, accruals and reserves; (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company s financial statements as well as experience actively supervising one or more persons engaged in such activities; (d) an understanding of internal controls and procedures for financial reporting; and (e) an understanding of audit committee functions. The Company s Board of Directors has adopted a written audit committee charter, a copy of which was attached to the Company s proxy statement dated January 7, 2008.



## COMPENSATION PROCESSES AND PROCEDURES

The Compensation Committee reviews annual salaries and bonuses of the Company's executive officers and makes recommendations to the Board of Directors for review and approval. The Stock Option Committee of the Board administers the Meta Financial Group, Inc. 2002 Omnibus Incentive Plan, including the approval of all grants of stock options, stock appreciation rights, restricted stock and performance awards. The members of the Stock Option Committee are also members of the Compensation Committee. As such, the Stock Option Committee members are involved in all discussions and determinations affecting the compensation package given to each executive officer; their determinations with respect to stock awards, however, are absolute and are not reviewed or approved by the Board of Directors.

The compensation approval process, which is undertaken in the last month of each fiscal year, consists of annual performance evaluations that are completed by each executive officer's immediate supervisor. Based on that individual evaluation, the relevant metrics for Company performance and updated salary data on comparable positions, the Chairman and President/CEO prepare proposed salary adjustments for all executives other than themselves. After such consultation between the Chairman and the President/CEO, the Chairman makes recommendations to the Compensation Committee with respect to compensation for all executive officers with the exception of his own position. The Compensation Committee makes salary adjustment recommendations to the Board of Directors with respect to the compensation of the Chairman and the remaining executives for review, discussion and approval. The full Board, with affected executive officers recusing themselves and abstaining from voting when appropriate, then reviews the recommendations of the Compensation Committee and approves the final compensation amounts except for awards made by the Stock Option Committee which, as described above, are awarded without review or approval by the Board of Directors. Regarding the compensation components, awards made by the Stock Option Committee are effective as of September 30th, and compensation adjustments are effective on the nearest payroll period to October 1st of each year and remain in effect until the following September 30th.

For purposes of the determination of compensation packages for executive officers, comparative compensation information is derived from such comprehensive sources as SNL Securities, MCS Associates, Savings and Community Bankers of America, The American Banker and major accounting firms. The Board's use of comparative sources is not limited to those enumerated; comparative information obtained by the Company's human resources department is distributed to the full Board of Directors from time to time throughout the year. Relevant comparative information is taken into consideration by the Compensation Committee, the Stock Option Committee and the Board of Directors. On an annual basis, the Board determines the level of base compensation for each executive officer within the guidelines outlined in former FHLBB R #42 Memoranda and Section 310 of the Office of Thrift Supervision Thrift Activities Regulatory Handbook.

The award of stock options under the 2002 Omnibus Incentive Plan is subject to the approval of such awards by the Stock Option Committee, depends on the availability of authorized shares under the Plan and is determined in accordance with the same criteria used by the Compensation Committee and the Board of Directors in determining the award of cash incentive compensation described above.

No compensation consultants are utilized by the Compensation Committee to determine compensation of executive officers.

Director compensation is determined by the full Board of Directors. No compensation consultants are utilized to determine director compensation, although the Board does utilize trade and other secondary materials to determine, in its opinion, the adequacy of such compensation.



### COMPENSATION OF DIRECTORS

The following table sets forth compensation information for the fiscal year ended September 30, 2009, for the Company's non-employee directors. Compensation for employee directors is set forth in the Summary Compensation Table set forth below.

The elements of compensation paid to the Company's non-employee directors during the year ended September 30, 2009 was follows:

- An annual retainer of \$11,000;
- For the chairman of the Audit Committee of the Board of Directors, an additional annual retainer of \$1,500;
- Restricted stock award of 650 shares of the Company's common stock granted on October 1, 2008 vesting immediately;
- A fee of \$750 for each Board of Directors meeting attended;
- A fee of \$200 for each Board of Directors committee meeting attended; and
- Reimbursement for out-of-pocket expenses incurred in attending Board of Directors and committee meetings.

#### Director Compensation

Name	Fee Earned or Paid in Cash (\$)	Stock Awards (\$)(1)(2)	Total \$
E. Thurman Gaskill	\$ 20,600	\$ 10,400	\$ 31,000
Rodney G. Muilenburg	\$ 22,600	\$ 10,400	\$ 33,000
Jeanne Partlow	\$ 24,500	\$ 10,400	\$ 34,900
Frederick V. Moore	\$ 20,800	\$ 10,400	\$ 31,200
E. Wayne Cooley	\$ 21,200	\$ 10,400	\$ 31,600

(1) The amounts in this column are calculated in accordance with Statement of Financial Accounting Standards, No. 123R, Share-Based Payment (FAS 123R) and equal the financial statement compensation expense for awards as reported in the Company's

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consolidated statement of operations for fiscal year 2009. Under FAS 123R, the fair value of awards granted is recognized ratably over the applicable service period generally corresponding with the vesting schedule of the grant. The assumptions used in the calculation of these amounts are disclosed in Note 13 to our Consolidated Financial Statements included in our fiscal 2009 Annual Report on Form 10-K.

(2) The aggregate number of stock awards outstanding (including both vested and unvested) at September 30, 2009, for each non-employee director.

<b>Name</b>	<b>Outstanding Stock Awards (#)</b>
E. Thurman Gaskill	1,200
Rodney G. Muilenburg	1,200
Jeanne Partlow	1,200
Frederick V. Moore	1,200
E. Wayne Cooley	1,200

## Summary Compensation

The following table sets forth compensation information for the fiscal years ended September 30, 2009 and 2008, for the Company's Named Executive Officers.

### Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Option Awards (\$)(1)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
J. Tyler Haahr- President and Chief Executive Officer	2009	\$ 365,015		\$ 10,400	\$ 72,999	\$ 120,455	\$ 78,168	\$ 18,237(2)	\$ 660,274
	2008	\$ 350,000			\$ 70,001	\$ 115,500	\$ 16,315(3)	\$ 33,519	\$ 585,335
David W. Leedom- Senior Vice President, Secretary, Treasurer, and Chief Financial Officer	2009	\$ 225,000			\$ 44,997	\$ 74,250	\$ 13,125	\$ 3,249(4)	\$ 360,621
	2008	\$ 215,000			\$ 43,001	\$ 70,950	\$ 7,590(5)	\$ 5,835	\$ 342,376
James S. Haahr- Chairman of the Board	2009	\$ 277,000		\$ 10,400	\$ 63,711	\$ 105,123	\$ 356,360	\$ 20,942(6)	\$ 828,536
	2008	\$ 263,800			\$ 52,761	\$ 87,054	\$ 30,070(7)	\$ 24,252	\$ 457,937
Bradley C. Hanson- Executive Vice President	2009	\$ 320,000		\$ 10,400	\$ 63,996	\$ 105,600	\$ 6,811(8)	\$ 11,648(9)	\$ 513,455
	2008	\$ 300,000			\$ 60,002	\$ 99,000	\$ 9,979(8)	\$ 14,544	\$ 483,525
Scott H. Galit- Executive Vice President	2009	\$ 250,000			\$ 25,004	\$ 125,000	\$ 9,078	\$ 4,920(10)	\$ 414,002
	2008	\$ 235,000			\$ 23,501	\$ 117,500		\$ 10,566	\$ 386,567

(1) The amounts in this column are calculated in accordance with FAS 123R and equal the financial statement compensation cost for awards as reported in the Company's consolidated statement of operations for fiscal year 2009. Under FAS 123R, the fair value of awards granted is recognized ratably over the applicable service period generally corresponding with the vesting schedule of the grant. The

assumptions used in the calculation of these amounts are disclosed in Note 13 to our Consolidated Financial Statements included in our fiscal 2009 Annual Report on Form 10-K.

- (2) Includes \$7,664 for the Benefit Equalization Plan, \$5,000 for director compensation and \$709 for a life insurance premium.
- (3) Does not include negative earnings and fees in the amount of (\$349,682).
- (4) Includes \$2,078 for the Benefit Equalization Plan and \$1,063 for a life insurance premium.
- (5) Does not include negative earnings and fees in the amount of (\$6,346).
- (6) Includes \$4,564 for the Benefit Equalization Plan, \$5,000 for director compensation and \$7,876 for a life insurance premium.
- (7) Does not include negative earnings and fees in the amount of (\$1,632,530).
- (8) Does not include negative earnings and fees in the amount of (\$201) and (\$38,079) for fiscal 2009 and 2008, respectively.
- (9) Includes \$5,868 for the Benefit Equalization Plan, \$5,000 for director compensation and \$672 for a life insurance premium.
- (10) Includes \$4,350 for the Benefit Equalization Plan and \$462 for a life insurance premium.

#### **Material Terms of Employment**

MetaBank has an employment agreement with each of James S. Haahr, J. Tyler Haahr, David W. Leedom and Bradley C. Hanson. Each employment agreement provides for a minimum annual base salary and a term of three years. Each agreement provides for extensions of one year, in addition to the then-remaining term under the agreement, on each anniversary of the effective date of the agreement, subject to a formal performance evaluation performed by disinterested members of the Board of Directors of MetaBank. The agreements terminate upon such

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executive's death, for cause, upon certain events specified by Office of Thrift Supervision regulations or by such executive upon 90 days' notice to MetaBank. Following the completion of performance reviews by the Company, the Board of Directors has authorized one-year extensions of the remaining terms of the employment agreements of James S. Haahr, J. Tyler Haahr, David W. Leedom and Bradley C. Hanson through September 30, 2012. Currently, the Company does not have an employment agreement in effect with Scott H. Galit. At September 30, 2009, the base salaries of James S. Haahr, J. Tyler Haahr, David W. Leedom and Bradley C. Hanson were \$277,000, \$365,015, \$225,000 and \$320,000, respectively, with no set bonuses. At September 30, 2009, Scott H. Galit had an arrangement with the Company to be paid a base salary of \$250,000, with no set bonus.

An incentive compensation program has been established to reward those named executive officers who provide a level of performance to the Company which warrants recognition in the form of compensation above base compensation amounts. Incentive compensation is based upon (1) performance by the individual and (2) overall Company performance. Yearly incentive awards are tied to Company current year performance and to other quantifiable metrics that demonstrate the strengthening and broadening of the Company's banking and payments businesses. The compensation awards made at the conclusion of fiscal year 2009 were such that total cash incentive compensation could not exceed 50% of base compensation and stock options could not exceed 20% of base compensation. Neither the Board nor the Stock Option Committee is required to authorize incentive compensation to eligible executive officers if, as determined by the Board or the Stock Option Committee, respectively, the officer's performance does not warrant such awards.



**Calculation of 2009 Stock Option Awards Pursuant to the 2002 Omnibus Incentive Plan**

The number of stock options to be awarded is determined by taking the indicated percentage times base compensation, divided by a fixed price of \$8.64 per share as determined by the September 30, 2009 Black-Scholes valuation method. The exercise price of stock options awarded under this Plan shall be the fair market value of the underlying stock at the date of grant, determined by reference to the high bid price on the option grant date. Options are issued for 10-year periods with 100% vesting generally occurring either at grant date or over a four-year period.

## Outstanding Equity Awards at Fiscal Year End

The following table sets forth information concerning stock options and unvested restricted stock awards held by the Company's Named Executive Officers as of September 30, 2009.

Name	Option Awards					Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
	Number of Securities Underlying Unexercised Options (#) Exercisable (1)	Number of Securities Underlying Unexercised Options (#) Unexercisable (1)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) (2)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	
J. Tyler	4,500			\$ 9.625	9/30/10				
Haahr	5,670			13.650	9/30/11				
	5,220			14.410	9/30/12				
	7,350			21.765	9/30/13				
	22,950			22.180	9/30/14				
	2,160			18.870	9/30/15				
	8,940			24.430	9/29/16				
	7,155			39.840	9/28/17				
	15,766			16.000	9/30/18				
	8,449			23.010	9/30/19				
David W. Leedom	2,500	7,500		\$ 29.390	1/15/17				
	3,544			39.840	9/28/17				
	9,685			16.000	9/30/18				
	5,208			23.010	9/30/19				
James S. Haahr	4,500			\$ 9.625	9/30/10				
	5,250			13.650	9/30/11				
	5,220			14.410	9/30/12				
	7,500			21.765	9/30/13				
	8,100			22.180	9/30/14				
	7,914			24.430	9/29/16				
	5,935			39.840	9/28/17				
	11,883			16.000	9/30/18				
	7,374			23.010	9/30/19				
Bradley C. Hanson	15,000	5,000		\$ 22.760	5/03/14	3,334	\$ 79,549		
	984			22.180	9/30/14				
	3,937			18.870	9/30/15				
	15,000	5,000		20.415	10/24/15				
	20,700	5,000		24.430	9/29/16				
	5,400			39.840	9/28/17				
	13,514			16.000	9/30/18				
	7,407			23.010	9/30/19				
Scott H. Galit	20,000	20,000		\$ 36.000	4/20/17				
	3,450			39.840	9/28/17				
	5,293			16.000	9/30/18				

2,894

23.01

9/30/19

(1) The vesting schedule for the option awards is variable depending upon a set vesting schedule, not to exceed 8 years and may be dependant upon performance goals of the Company. There is no accelerated vesting. Set forth below is the grant date and the date each award is vested in full for the unexercisable options:

Name	Number of unexercisable options (#)	Grant date	Vesting date (date award is vested in full)
David W. Leedom	7,500	1/15/07	1/15/12
Bradley C. Hanson	5,000	5/3/04	5/3/12
Bradley C. Hanson	5,000	10/24/05	10/24/09
Bradley C. Hanson	5,000	9/29/06	9/29/10
Scott H. Galit	20,000	4/20/07	4/20/11

(2) The vesting schedule for the restricted stock awards that have not vested is over a remaining period of two years, with one-half of the shares vesting at each of September 29, 2010 and September 29, 2011. Set forth below is the grant date and the date each award is vested in full for the stock that has not vested:

Name	Number of shares of stock that have not vested (#)	Grant date	Vesting date (date award is vested in full)
Bradley C. Hanson	3,334	9/29/06	9/29/11

(3) The aggregate market value of shares that have not vested was computed by multiplying \$23.86 (the closing market price of a share of Meta Financial common stock on September 30, 2009) by the number of unvested shares outstanding as of September 30, 2009, for such executive.

#### Retirement Benefits, Nonqualified Defined Contribution and Other Nonqualified Deferred Compensation Plans

Most of our employees, including the members of our Executive Management Team which includes the Named Executive Officers, participate in the MetaBank Profit Sharing 401(k) Plan and the Meta Financial Group, Inc. Employee Stock Ownership Plan. Mr. James S. Haahr, Mr. J. Tyler Haahr, Mr. David W. Leedom, Mr. Bradley C. Hanson and Mr. Scott H. Galit participate in the Supplemental Employees Investment Plan for Salaried Employees (the Benefit Equalization Plan or BEP) and related Trust Agreement. This plan is an excess benefit plan that provides for employer contributions to the extent that Code Section 401(a)(17) and/or Code Section 415 limits the amounts that may be contributed to a participant's qualified plan account.

An Amended and Restated Contract for Deferred Compensation (the Contract) exists between MetaBank and James S. Haahr. This Contract is intended as an inducement by the Company to retain Mr. Haahr's services as the Chairman of the Board. It is contemplated that Mr. James S. Haahr shall remain as an employee of the Company until he reaches the age of eighty (80) years. The purpose of this Contract is to provide for compensation for years of service in the event of his death or retirement. If Mr. Haahr dies before his retirement date as set forth, above, the Company shall pay to his wife \$2,000 per year for the period commencing October 1, 1979 and ending on Mr. Haahr's date of death, with such benefit payable in annual installments of \$2,000. In the event of the



death of Mr. Haahr's wife, the compensation shall be paid to his children in equal shares. In the event Mr. Haahr retires on or after age 80 or severs his employment with the Company prior to age 80, the Company shall pay a lump sum payment of the accrued deferred compensation as soon as administratively feasible but no later than 90 days after his employment termination date, subject to a six-month payment delay for the Code Section 409A compliance purposes if Mr. Haahr is a specified employee (as defined under Code Section 409(a)) at the time of his employment termination.

Benefits payable under the BEP and the Contract are designed to be taxable as ordinary income at the time of distribution. Both the BEP and the Contract were amended during 2008 to comply with Code Section 409A.

### **Potential Payments Upon Termination or Change-in-Control**

The employment agreement for each executive described above provides for payment to the executive of the greater of his salary for the remainder of the term of the agreement, or 299% of his base compensation, in the event there is a change in control of Meta Financial or MetaBank if employment terminates involuntarily in connection with such change in control or within 12 months thereafter. This termination payment is subject to reduction by the amount of all other compensation to the executive deemed for purposes of the Internal Revenue Code of 1986, as amended, to be contingent on a change in control, and may not equal or exceed three times the executive's average annual compensation over the most recent five-year period or otherwise be non-deductible by MetaBank for federal income tax purposes. For the purposes of the employment agreements, a change in control is defined, in accordance with standard industry provisions, as any event which would require the filing of an application for acquisition of control or notice of change in control pursuant to 12 C.F.R. § 574.3 or § 574.4, respectively. These events may be triggered upon the acquisition or control of 10% of Meta Financial's common stock. Each agreement also guarantees participation in an equitable manner in employee benefits available to executive personnel.

Based on their current salaries, if the employment of Messrs. James S. Haahr, J. Tyler Haahr, David W. Leedom and Bradley C. Hanson had been terminated as of September 30, 2009, under circumstances entitling them to termination payments as described above, they would have been entitled to receive lump sum cash payments of approximately \$828,230, \$1,091,395, \$672,750 and \$956,800, respectively.

### **CERTAIN TRANSACTIONS**

MetaBank has followed a written policy of granting loans to eligible directors, officers, employees and members of their immediate families for the financing of their personal residences and for consumer purposes. As of September 30, 2009 all loans or extensions of credit to executive officers and directors were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with the general public and do not involve more than the normal risk of repayment or present other unfavorable features.

**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934 requires Meta Financial's directors and executive officers, and persons who own more than 10% of a registered class of Meta Financial's equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of Meta Financial common stock and other equity securities of Meta Financial generally by the second business day following a transaction. Officers, directors and greater-than-10% stockholders are required by SEC regulations to furnish Meta Financial with copies of all Section 16(a) forms they file.

To Meta Financial's knowledge, based solely on a review of the copies of such reports furnished to Meta Financial and written representations that no other reports were required during the fiscal year ended September 30, 2009, all Section 16(a) filing requirements applicable to its officers, directors and greater than 10% beneficial owners were complied with.

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Company's independent registered public accounting firm is KPMG LLP. Representatives of KPMG LLP, are expected to be present at the Annual Meeting to respond to appropriate questions and to make a statement if they desire.

The following table presents fees billed by KPMG LLP, for the audit of the Company's annual financial statements for the years ended September 30, 2009 and 2008, and fees billed for other services rendered by KPMG LLP during 2009 and 2008.

<b>Fiscal Year</b>	<b>Audit Fees</b>	<b>Audit-Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
2009	\$ 265,000	\$ 29,700	\$ 0	\$ 62,000
2008	\$ 215,000	\$ 27,000	\$ 0	\$ 60,000

Audit fees consist of fees for the audit of the Company's annual financial statements, review of financial statements included in the Company's Quarterly Reports on Form 10-Q and services normally provided by the independent auditor in connection with statutory and regulatory filings or engagements.

Audit-related fees consist of fees for audits of financial statements of the employee benefit plan maintained by the Company, and assistance with accounting research matters.

Tax fees consist of fees for tax consultation and tax compliance services for the Company and the employee benefit plan maintained by the Company.

All other fees consist of fees for professional services rendered for SAS70 services performed.

The Company's Audit Committee has considered and concluded that the provision of all non-auditing services (and the aggregate fees billed for such services) in the fiscal year ended September 30, 2009, by KPMG LLP, the principal registered independent public accounting firm, is compatible with maintaining the independence of the independent registered public accounting firm.

*Pre-Approval Policy.* The Audit Committee pre-approves all audit and permissible non-audit services provided by the independent auditors. The non-audit services include audit-related services and tax services. The Audit Committee's policy is to pre-approve all services and fees for up to one year,



which approval includes the appropriate detail with regard to each particular service and its related fees. In addition, the Audit Committee can be convened on a case-by-case basis to approve any services not anticipated or services whose costs exceed the pre-approved amounts.

During the last two fiscal years ended September 30, 2009, 100% of all audit and permissible non-audit services were pre-approved by the Audit Committee.

#### **STOCKHOLDER PROPOSALS FOR THE YEAR 2011 ANNUAL MEETING**

Stockholder proposals to be presented at Meta Financial's 2011 Annual Meeting of Stockholders must be received by our Secretary no later than August 25, 2010 to be eligible for inclusion in Meta Financial's proxy statement and form of proxy related to the 2011 Annual Meeting. Any such proposal will be subject to the requirements of the proxy rules adopted under the Securities Exchange Act of 1934, as amended, and as with any stockholder proposal (regardless of whether such proposal is included in Meta Financial's proxy materials), Meta Financial's certificate of incorporation, by-laws and Delaware law.

To be considered for presentation at the next Annual Meeting, but not for inclusion in the Company's proxy statement and form of proxy for that meeting, proposals must be received by the Company by the Deadline. The Deadline means the date that is 60 days prior to the anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than 20 days, or delayed by more than 50 days from such anniversary date, notice by the stockholder to be timely must be so delivered not later than the close of business on the later of the sixtieth day prior to such annual meeting or the tenth day following the day on which notice of the date of the annual meeting was mailed or public announcement of the date of such meeting is first made. If a stockholder proposal that is received by the Company after the Deadline is raised at the next Annual Meeting, the holders of the proxies for that meeting will have the discretion to vote on the proposal in accordance with their best judgment and discretion, without any discussion of the proposal in the Company's proxy statement for the next Annual Meeting.

#### **ANNUAL REPORT ON FORM 10-K**

A copy of our Annual Report on Form 10-K for the fiscal year ended September 30, 2009 is being distributed concurrently with this proxy statement to all stockholders entitled to notice of and to vote at the Annual Meeting of Stockholders. Our Annual Report on Form 10-K is not incorporated into this proxy statement and shall not be deemed to be solicitation material. The Company hereby undertakes to provide to any recipient of this proxy statement, upon his or her request, a copy of any of the exhibits to our Annual Report on Form 10-K. Requests for such copies should be directed in writing to Investor Relations, Meta Financial Group, Inc., 121 East Fifth Street, Storm Lake, Iowa 50588.

#### **OTHER MATTERS**

The Board of Directors is not aware of any business to come before the Annual Meeting other than those matters described above in this proxy statement. However, if any other matter should properly come before the Annual Meeting, it is intended that holders of the proxies will act in accordance with their best judgment.













