
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **July 15, 2011**

Meta Financial Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or
organization)

0-22140
(Commission File Number)

42-1406262
(IRS Employer Identification No.)

121 East Fifth Street, Storm Lake, IA 50588
(Address of principal executive offices)(Zip Code)

Registrant's telephone number, including area code: **(712) 732-4117**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

On July 15, 2011, Meta Financial Group, Inc. (the “Company”), and its savings bank subsidiary, MetaBank (the “Bank”), each consensually entered into a Stipulation and Consent to Issuance of Order to Cease and Desist with the Office of Thrift Supervision (“OTS”). Also on July 15, 2011, MetaBank consensually entered into a Stipulation and Consent to the Issuance of an Order of Assessment of a Civil Money Penalty with the OTS (the “Bank CMP Order”). For purposes hereof, the Order to Cease and Desist to which the Company is subject is referred to as the “Company C&D Order;” the Order to Cease and Desist to which the Bank is subject is referred to as the “Bank C&D Order;” the Company C&D Order and Bank C&D Order are collectively referred to as the “C&D Orders.” Under the terms of the C&D Orders and the Bank CMP Order, the OTS acknowledges that the Company and the Bank neither admit nor deny the OTS’ findings of fact in the C&D Orders and the Bank CMP Order or that grounds exist to initiate a proceeding. The C&D Orders relate to the settlement of previously disclosed enforcement matters in which the OTS had issued Supervisory Directives.

The Bank C&D Order provides, among other things, that:

- The Bank shall cease and desist from any action for or toward, causing, bringing about, participating in, counseling, or aiding and abetting (a) violations of certain laws and regulations cited in the OTS Report of Examination of the Bank, dated April 5, 2010 (the “OTS Report”), as specified in the Bank C&D Order and (b) unsafe or unsound practices that resulted in the Bank operating without adequate (i) internal controls, management information systems and internal audit reviews of its third party sponsorship arrangements; and (ii) information technology policies and procedures as described in the OTS Report;
- The Bank shall submit to the OTS Regional Director for the Central Region (the “Regional Director”) a written remuneration plan (the “Remuneration Plan”) to provide restitution in the total amount of \$4,828,105 with respect to its iAdvance Line of Credit. The Remuneration Plan has been submitted and was approved by the Regional Director;
- The Bank shall not, without the prior written approval of the Regional Director (a) enter into any new third party relationship agreement concerning any credit product, deposit product (including prepaid cards), or automatic teller machine or materially amend any such existing agreement (except for amendments to achieve compliance with applicable laws, regulations or regulatory guidance); (b) originate, directly or through any third party, tax refund anticipation loans; (c) offer a tax refund transfer processing service directly or through any third party; or (d) offer or originate iAdvance lines of credit to new customers or permit draws on existing iAdvance lines of credit, either directly or through any third party. This requirement essentially restates requirements imposed earlier via Supervisory Directive;
- The Bank shall submit to the Regional Director written due diligence, monitoring, training and oversight procedures (the “Third Party Risk Management Program”) to review and risk assess each aspect of the Bank’s agreements with third party providers. Within 60 days of receipt of the Regional Director’s written acceptance notice of the Third Party Risk Management Program, the Bank must review each of its current sponsorship arrangements with third party providers. For each sponsorship arrangement that does not meet the requirements of the Third Party Risk Management Program, or in the event any third party provider is not meeting its obligations under the terms of an existing contract, the Bank shall prepare and submit to the Regional Director, within 60 days of completing its review, a written plan to address any identified deficiencies, which could include termination;
- The Bank must submit various reports and minutes to the Regional Director, including but not limited to minutes of its Third Party Risk Committee and the MPS Credit Committee, and various reports related to the Bank’s business and capital plans;
- The Bank must submit various management and compliance plans and programs applicable to the Bank and its third parties that are subject to the approval of the Regional Director, including its BSA/AML policies, procedures and systems; a consumer compliance management program; a revised internal audit program; a director development plan; a plan for identifying, monitoring and controlling concentrations of assets and liabilities; a business and capital plan, including required future updates, analysis of variance reports, a review of risks affecting the Bank’s ability to successfully implement the business and capital plan, and an internal audit program with board or committee responsibility to remedy any deficiencies;

- By August 31, 2011, the Bank shall ensure that all violations of law and/or regulation discussed in the OTS Report are corrected and that adequate policies, procedures and systems are established or revised and thereafter implemented to prevent future violations;
- The Bank shall (a) not, publish advertising using any type of media or make any representation that is inaccurate in any way or misrepresents the Bank's products, services, contracts, investments or financial condition, and (b) shall ensure that its third party providers performing services on the Bank's behalf do not publish advertising using any type of media or make any representation that is inaccurate in any way or misrepresents the Bank's products, services, contracts, investments or financial condition; and
- The Bank shall (a) not make any golden parachute payment (as defined in the Bank C&D Order) unless the Bank has complied with the requirements of 12 C.F.R. Part 359; (b) comply with the prior notification requirements for changes in directors and senior executive officers (as defined in the Bank C&D Order) set forth in 12 C.F.R. Part 563, Subpart H; and (c) not enter into, renew, extend, or revise any contractual arrangement relating to compensation or benefits for any senior executive officer or director of the Bank, unless it first provides the Regional Director with not less than 30 days prior written notice of the proposed transaction.

The Company C&D Order provides, among other things, that:

- The Company shall cease and desist from any action for or toward, causing, bringing about, participating in, counseling, or aiding and abetting unsafe or unsound practices resulting in the Company operating with (a) policies and procedures that are detrimental to the Company and (b) an inadequate level of capital protection to support the volume and risk characteristics of consolidated business lines and products;
- By August 31, 2011, the Company shall submit to the Regional Director a written plan for enhancing the consolidated capital of the Company (the "Company Capital Plan"). By December 31, 2011 and by December 31 of each year thereafter, the Company Capital Plan shall be updated and submitted to the Regional Director and shall incorporate the Company's budget plan and cash flow projections for the next two fiscal years taking into account any revisions to the Company's cash flow and operating policies;
- The Company shall notify the Regional Director regarding any material negative event affecting or that may affect the balance sheet, capital or cash flow of the Company within five days after such event;
- Within 60 days after the end of each quarter after implementation of the Company Capital Plan, the Company's Board of Directors shall review written quarterly variance reports on the Company's compliance with the Company Capital Plan;
- The Company shall not (a) declare, make, or pay any cash dividends or other capital distributions or purchase, repurchase or redeem or commit to purchase, repurchase, or redeem any Company equity stock or (b) directly or indirectly, incur, issue, renew, rollover, or pay interest or principal on any debt (as defined in the Company C&D Order) or commit to do so, increase any current lines of credit, or guarantee the debt of any entity, in each case without the prior written non-objection of the Regional Director. It should be noted that the OTS did not object to the Company's July semi-annual interest payment of \$211,358 with respect to its \$10,000,000 First Midwest Capital Trust I trust preferred security;
- The Company shall ensure the Bank's compliance with the terms of the Bank C&D Order and shall within 60 days after July 15, 2011 submit a written plan to strengthen Board oversight of the management and operations of the Bank; and
- The Company (a) shall not make any golden parachute payment unless the Company has complied with the requirements of 12 C.F.R. Part 359; (b) shall comply with the prior notification requirements for changes in directors and senior executive officers set forth in 12 C.F.R. Part 563, Subpart H; and (c) shall not enter into, renew, extend, or revise any contractual arrangement relating to compensation or benefits for any senior executive officer or director of the Company, unless it first provides the Regional Director with not less than 30 days prior written notice of the proposed transaction.

Each of the C&D Orders will remain in effect until terminated, modified or suspended in writing by the OTS.

Any material failure by the Company or the Bank to comply with the provisions of their respective C&D Order could result in further enforcement actions by the Office of the Comptroller of the Currency ("OCC") following the integration of the OTS into the OCC on July 21, 2011, with respect to the Bank or the Federal Reserve Board following the transfer of the functions of the OTS related to thrift holding companies to the Federal Reserve Board on July 21, 2011, with respect to the Company. While the Company and the Bank intend to take such actions as may be necessary to comply with the requirements of the C&D Orders, there can be no assurance that the Company or the Bank will be able to comply fully with the C&D Orders, or that efforts to comply with the C&D Orders will not have adverse effects on the operations and financial condition of the Company or the Bank.

The Bank CMP Order provides, among other things, that the Bank shall pay the sum of \$400,000 to the Treasury of the United States.

The foregoing descriptions of the C&D Orders and the Bank CMP Order do not purport to be complete and are qualified in their entirety by the terms and conditions of the Bank C&D Order, the Company C&D Order and the Bank CMP Order, copies of which are filed as Exhibits 10.2, 10.1 and 10.5, respectively, and are incorporated by reference herein.

Item 2.02 Results of Operations and Financial Condition

On July 18, 2011, the Company issued a press release announcing its results of operations and financial condition as of and for the three and nine months ended June 30, 2011. A copy of the press release is attached as Exhibit 99.1 to this report and is incorporated into this Item 2.02 by reference.

The information furnished pursuant to this Item 2.02, including related portions of Exhibit 99.1, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), or otherwise subject to the liabilities thereof, nor shall it be deemed to be incorporated by reference in any filing under the Exchange Act or under the Securities Act of 1933, as amended, except to the extent specifically provided in any such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits .

Exhibit No.	Description
10.1	Meta Financial Group, Inc. – Order to Cease and Desist, dated July 15, 2011
10.2	MetaBank – Order to Cease and Desist, dated July 15, 2011
10.3	Meta Financial Group, Inc. – Stipulation and Consent to Issuance of Order to Cease and Desist, dated July 15, 2011
10.4	MetaBank – Stipulation and Consent to Issuance of Order to Cease and Desist, dated July 15, 2011
10.5	MetaBank – Order of Assessment of a Civil Money Penalty, dated July 15, 2011
10.6	MetaBank – Stipulation and Consent to the Issuance of an Order of Assessment of a Civil Money Penalty, dated July 15, 2011
99.1	Press Release dated July 18, 2011

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

META FINANCIAL GROUP, INC.

By: /s/ David W. Leedom
David W. Leedom
Executive Vice President, Secretary,
Treasurer and Chief Financial Officer

Dated: July 18, 2011

EXHIBIT LIST

Exhibit No.	Description
10.1	Meta Financial Group, Inc. – Order to Cease and Desist, dated July 15, 2011
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UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of

META FINANCIAL GROUP, INC.

Storm Lake, Iowa
OTS Docket No. H2172

Order No.: CN 11-26

Effective Date: July 15, 2011

ORDER TO CEASE AND DESIST

WHEREAS, Meta Financial Group, Inc., Storm Lake, Iowa, OTS Docket

No. H2172 (Holding Company), by and through its Board of Directors (Board), has executed a Stipulation and Consent to the Issuance of an Order to Cease and Desist (Stipulation); and

WHEREAS, the Holding Company, by executing the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist (Order) by the Office of Thrift Supervision (OTS) pursuant to 12 U.S.C. Sec. 1818(b); and

WHEREAS, pursuant to delegated authority, the OTS Regional Director for the Central Region (Regional Director) is authorized to issue Orders to Cease and Desist where a savings and loan holding company has consented to the issuance of an order.

NOW, THEREFORE, IT IS ORDERED that:

Cease and Desist.

1. The Holding Company and its directors, officers, employees, and agents shall cease and desist from any action (alone or with another or others) for or toward causing, bringing about,

participating in, counseling or the aiding and abetting in the unsafe or unsound practices resulting in the Holding Company operating with: (a) policies and procedures that are detrimental to the consolidated Holding Company and (b) an inadequate level of capital protection to support the volume and risk characteristics of consolidated business lines and products.

Capital Plan.

2. By August 31, 2011, the Holding Company shall submit to the Regional Director a written plan for enhancing the consolidated capital of the Holding Company (Capital Plan). The Capital Plan shall cover the period beginning with July 1, 2011 through December 31, 2013. At a minimum, the Capital Plan shall include:

- (a) establishment by the Board of a minimum tangible capital ratio of tangible equity capital to total tangible assets commensurate with the Holding Company's consolidated risk profile;
- (b) specific strategies for increasing and maintaining tangible equity capital of the Holding Company to Board established targets;
- (c) quarterly cash flow projections for the Holding Company on a stand alone basis for the period covered by the Capital Plan that identify both the sources of funds and the expected uses of funds;
- (d) quarterly pro forma consolidated and unconsolidated Holding Company balance sheets and income statements for the period covered by the Capital Plan demonstrating the Holding Company's ability to attain and maintain the Board established minimum tangible equity capital ratios during the period of the Capital Plan;
- (e) detailed scenarios to stress-test the minimum tangible equity capital targets based

on continuing operating results, economic conditions and risk profile of the Holding Company's stand alone assets and liabilities; and

(f) detailed descriptions of all relevant assumptions and projections and the supporting documentation for all relevant assumptions and projections.

3. Upon receipt of written notice of non-objection from the Regional Director to the Capital Plan, the Holding Company shall implement and adhere to the Capital Plan. A copy of the Capital Plan shall be provided to the Regional Director within five (5) days after Board approval.

4. The Holding Company shall notify the Regional Director regarding any material negative event affecting or that may affect the balance sheet, capital, or the cash flow of the Holding Company within five (5) days after such event.

5. By December 31, 2011, and each December 31st thereafter, the Capital Plan shall be updated and submitted to the Regional Director pursuant to Paragraph 2 above and shall incorporate the Holding Company's budget plan and cash flow projections for the next two (2) fiscal years taking into account any revisions to the Holding Company's cash flow and operating policies.

Capital Plan Variance Reports.

6. Within sixty (60) days after the end of each quarter, after implementation of the Capital Plan, the Board shall review written quarterly variance reports on the Holding Company's compliance with its Capital Plan (Variance Reports). The minutes of the Board meeting shall fully document the Board's review and discussion. The Variance Reports shall:

(a) identify variances in the Holding Company's actual performance during the preceding quarter as compared to the projections set forth in the Capital Plan;

- (b) contain an analysis and explanation of identified material ¹ variances; and
- (c) discuss the specific measures taken or to be taken by the Holding Company to address identified material variances.

7. A copy of each Variance Report shall be provided to the Regional Director within five (5) days after Board approval.

Dividends and other Capital Distributions.

8. Effective immediately, the Holding Company shall not declare, make, or pay any cash dividends or other capital distributions or purchase, repurchase or redeem or commit to purchase, repurchase, or redeem any Holding Company equity stock without the prior written non-objection of the Regional Director. The Holding Company shall submit its written request for non-objection to the Regional Director at least thirty (30) days prior to the anticipated date of the proposed dividend, capital distribution, or stock transaction.

Debt Restrictions.

9. Effective immediately, the Holding Company shall not, directly or indirectly, incur, issue, renew, rollover, or pay interest or principal on any debt or commit to do so, increase any current lines of credit, or guarantee the debt of any entity, without prior written notice to and written non-objection from the Regional Director. The Holding Company's written request for approval shall be submitted to the Regional Director at least thirty (30) days prior to incurring, issuing, renewing, rolling over or paying any interest or principal on any debt, increasing any current lines of credit, or guaranteeing the debt of any entity. The Holding Company's written requests for Regional Director non-objection to engage in such debt transactions, at a minimum, shall: (a) describe the purpose of the proposed debt; (b) set forth and analyze the terms of the proposed

¹ A variance shall be considered material under the Order if the Holding Company exceeds or fails to meet target amounts established in the Capital Plan by more than ten percent (10%).

debt and covenants; (c) analyze the Holding Company's current cash flow resources available to satisfy such debt repayment; and (d) set forth the anticipated source(s) of repayment of the proposed debt. For purposes of this Paragraph, the term "debt" includes, but is not limited to, loans, bonds, cumulative preferred stock, hybrid capital instruments such as subordinated debt or trust preferred securities, and guarantees of debt. For purposes of this Paragraph, the term "debt" does not include liabilities incurred in the ordinary course of business to acquire goods and services and that are normally recorded as accounts payable or accruals under generally accepted accounting principles.

MetaBank Oversight.

10. Effective immediately, the Holding Company shall ensure MetaBank, Storm Lake, Iowa, OTS Docket No. 05902 (Association) is in compliance with the terms of the Order to Cease and Desist issued by the OTS to the Association effective July 15, 2011.

11. Within sixty (60) days after the Effective Date, the Board shall submit to the OTS a written plan to strengthen Board oversight of the management and operations of the Association. The plan shall, at a minimum, address, consider, and include:

- (a) policies and procedures to ensure the Board addresses in a timely and appropriate manner any material non-compliance by the Association with its Order to Cease and Desist; and
- (b) steps to ensure the timely reporting of material information by the Association to the Holding Company regarding the Association's compliance with its Order to Cease and Desist.

Directorate and Management Changes.

12. Effective immediately, the Holding Company shall comply with the prior notification

requirements for changes in directors and Senior Executive Officers ² set forth in 12 C.F.R. Part 563, Subpart H.

Golden Parachute Payments.

13. Effective immediately, the Holding Company shall not make any golden parachute payment ³ unless, with respect to such payment, the Holding Company has complied with the requirements of 12 C.F.R. Part 359.

Employment Contracts and Compensation Arrangements.

14. Effective immediately, the Holding Company shall not enter into any new contractual arrangement or renew, extend or revise any existing contractual arrangement related to compensation or benefits with any director or Senior Executive Officer of the Holding Company, unless it first provides the Regional Director with not less than thirty (30) days prior written notice of the proposed transaction. The notice to the Regional Director shall include a copy of the proposed employment contract or compensation arrangement, or a detailed, written description of the compensation arrangement to be offered to such Senior Executive Officer or director, including all benefits and perquisites. The Holding Company shall ensure that any contract, agreement or arrangement submitted to OTS fully complies with the requirements of 12 C.F.R. Part 359, 12 C.F.R. Sec. 563.39 and 563.161(b), and 12 C.F.R. Part 570-Appendix A.

Effective Date, Incorporation of Stipulation.

15. This Order is effective on the Effective Date as shown on the first page. The Stipulation is made a part hereof and is incorporated herein by this reference.

Duration.

16. This Order shall remain in effect until terminated, modified, or suspended by written

² The term "Senior Executive Officer" is defined at 12 C.F.R. § 563.555.

³ The term "golden parachute payment" is defined at 12 C.F.R. § 359.1(f).

notice of such action by the OTS, acting by and through its authorized representatives.

Time Calculations.

17. Calculation of time limitations for compliance with the terms of this Order run from the Effective Date and shall be based on calendar days, unless otherwise noted.

18. The Regional Director or an OTS authorized representative may extend any of the deadlines set forth in the provisions of this Order upon written request by the Holding Company that includes reasons in support for any such extension. Any OTS extension shall be made in writing.

Submissions and Notices.

19. All submissions, including any reports, to the OTS that are required by or contemplated by this Order shall be submitted within the specified timeframes.

20. Except as otherwise provided herein, all submissions, requests, communications, consents, or other documents relating to this Order shall be in writing and sent by first class U.S. mail (or by reputable overnight carrier, electronic facsimile transmission, or hand delivery by messenger) addressed as follows:

(a) **To the OTS:**

Regional Director
Office of Thrift Supervision
One South Wacker Drive, Suite 2000
Chicago, Illinois 60606
Facsimile: (312) 917-5001

(b) **To the Holding Company:**

Chairman of the Board
Meta Financial Group, Inc.
121 East Fifth Street
Storm Lake, Iowa 50588
Facsimile: (712) 732-7105

Transfer Date

20. Following the Transfer Date, *see* Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. Law No. 111-203, Sec. 311, 124 Stat. 1520 – 21 (2010), all submissions, requests, communications, consents or other documents relating to this Order shall be directed to the Board of Governors of the Federal Reserve System (Board of Governors), or to the individual, division, or office designated by the Board of Governors.

No Violations Authorized.

21. Nothing in this Order or the Stipulation shall be construed as allowing the Holding Company, its Board, officers, or employees to violate any law, rule, or regulation.

IT IS SO ORDERED.

OFFICE OF THRIFT SUPERVISION

By: /s/ Daniel T. McKee
Daniel T. McKee
Regional Director, Central Region

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of)	
)	Order No.: CN 11-25
)	
METABANK)	
)	Effective Date: July 15, 2011
)	
Storm Lake, Iowa)	
OTS Docket No. 05902)	
)	

ORDER TO CEASE AND DESIST

WHEREAS, MetaBank, Storm Lake, Iowa, OTS Docket No. 05902 (Association), by and through its Board of Directors (Board), has executed a Stipulation and Consent to Issuance of an Order to Cease and Desist (Stipulation); and

WHEREAS , the Association, by executing the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist (Order) by the Office of Thrift Supervision (OTS) pursuant to 12 U.S.C. § 1818(b); and

WHEREAS, pursuant to delegated authority, the OTS Regional Director for the Central Region (Regional Director) is authorized to issue Orders to Cease and Desist where a savings association has consented to the issuance of an order; and

NOW, THEREFORE, IT IS ORDERED that:

Cease and Desist.

1. The Association, its institution-affiliated parties,¹ and its successors and assigns, shall cease and desist from any action (alone or with others) for or toward, causing, bringing about, participating in, counseling, or aiding and abetting violations of the following laws or regulations cited in the April 5, 2010 Report of Examination of the Association (2010 ROE) delivered to the Association on December 28, 2010:

- (a) 12 C.F.R. § 563.177(c)(1) (requiring the development of a system of internal controls to assure ongoing compliance with Bank Secrecy Act and Anti Money Laundering (BSA/AML) regulations);
- (b) 12 C.F.R. § 563.177(b)(2) (requiring the implementation of a customer identification program as part of the BSA compliance program);
- (c) 15 U.S.C. § 45(a)(1) (prohibiting unfair or deceptive acts or practices); and
- (d) 12 C.F.R. § 563.27 (prohibiting savings associations from using any advertising or making any representation that is inaccurate in any particular way or misrepresents in any way its services, contracts, investments, or financial condition).

2. The Association, its institution-affiliated parties, and its successors and assigns, shall cease and desist from any action (alone or with others) for or toward, causing, bringing about, participating in, counseling, or aiding and abetting of the unsafe or unsound practices that resulted in the Association operating: (a) without adequate internal controls, management information systems, and internal audit reviews of its third party sponsorship arrangements; and (b) without adequate information technology (“IT”) policies and procedures as described in the 2010 ROE.

¹ The term “institution-affiliated party” is defined at 12 U.S.C. § 1813(u).

Unfair or Deceptive Acts or Practices.

3. By July 15, 2011, the Association shall submit a written plan (Remuneration Plan), acceptable to the Regional Director, to provide restitution to any iAdvance Line of Credit borrower affected by the Association's failure to implement a recurring use plan (Borrowers). At a minimum, the Remuneration Plan shall:

- (a) identify the methodology and total dollar amount of restitution that Borrowers will receive;
- (b) require the Association to provide the Regional Director by August 31, 2011 with a list of Borrowers who shall receive restitution and shall specify the amount of restitution that each Borrower will receive (Borrower List);
- (c) require the Association to complete all requirements of the Remuneration Plan in accordance with the timetable set forth in the Remuneration Plan; and
- (d) require the submission of written progress reports to the Regional Director on a monthly basis that detail the actions taken and to be taken to comply with the Remuneration Plan.

4. The Remuneration Plan and the Borrower List are both incorporated by reference into this Order. Accordingly, any violation of the Remuneration Plan is a violation of this Order.

Third Party Risk Management Program.

5. Effective immediately, the Association shall not, without the prior written approval of the Regional Director:

- (a) enter into any new third party relationship agreement or materially amend any such existing agreement concerning any credit product, deposit product (including

prepaid cards), or automatic teller machine, except for amendments to achieve compliance with applicable laws, regulations or regulatory guidance, including but not limited to Thrift Bulletin 82a;

(b) originate tax refund anticipation loans (RALs) directly or through any third party;

(c) offer a tax refund transfer processing service directly or through any third party; or

(d) offer or originate iAdvance lines of credit to new customers or permit draws on existing iAdvance lines of credit, either directly or through any third party;

until such time as the Association has completed the requirements of Paragraphs 6 through 23 and Paragraph 28 below. Before resuming any of the activities described in Subparagraphs (a) through (d) above, the Association shall submit a written request to the Regional Director containing the Association's proposed strategic plan for the activity to be resumed and receive a written non-objection letter from the Regional Director.

6. By July 15, 2011, the Association shall develop and submit to the Regional Director written due diligence, monitoring, training, and oversight procedures to ensure that its third party providers perform services and conduct activities on its behalf in a safe and sound manner, and in compliance with applicable laws and regulations. (Third Party Risk Management Program). The Association shall allocate resources to the Association's Third Party Risk Management Program that are commensurate with the size and level of complexity of the Association's current and projected operations. The Third Party Risk Management Program shall include, at a minimum:

(a) on-going oversight of the third party's activities and performance, including the designation of an Association officer responsible for the administration and oversight of

third party relationships, and assignment of sufficient staff with the necessary expertise to:

- (i) monitor the third party's financial condition;
 - (ii) monitor the third party's controls, including review of audit information, policies relating to IT internal controls and security, business resumption contingency planning and testing, and compliance with applicable state and federal laws and regulations;
 - (iii) monitor key third party personnel changes and assess how such changes may impact the Association;
 - (iv) review information documenting the third party's performance relative to service level agreements and determine whether contractual terms and conditions are being met, or whether any revisions to service-level agreements or other terms are needed;
 - (v) document and follow-up on third party provider performance problems in a timely manner; and
 - (vi) periodically meet with third party providers to discuss performance and operational issues;
- (b) documentation of the Association's oversight of third party provider activities and performance including:
- (i) a list of third parties deemed material to the operation of the Association;
 - (ii) maintenance of true, accurate, and complete contracts between the Association and its third party providers;
 - (iii) business plans for new lines of business or products that identify management's planning process, decision making and due diligence in selecting a

third party provider;

(iv) regular risk management and performance information received from the third party provider (e.g., external and internal audit information, security reviews, reports or information indicating compliance with service-level agreements); and

(v) regular reports to the Board, or its delegated committee, of the results of the Association's ongoing oversight of its sponsorship activities;

(c) development of management information systems that ensure each product offered and service performed by a third party provider on behalf of the Association is in compliance with all applicable federal and state laws, regulations, and regulatory guidance as well as applicable policies and procedures of the Association;

(d) written policies and procedures governing the Association's lending products, including subprime lending products, offered through third party providers to ensure that the Association's lending is consistent with applicable state and federal laws, regulations, and regulatory guidance and includes, at a minimum:

(i) comprehensive written underwriting standards for each type of sponsorship lending approved by the Board;

(ii) a requirement that current and satisfactory credit information be obtained on each borrower prior to the granting of credit demonstrating the ability to repay;

(iii) a requirement that the anticipated source of repayment for each borrower be documented in the loan file;

(iv) establishment of reasonable, maximum debt (including any add-ons such as credit life, credit disability, force placed insurance and service contracts) to

income ratios;

- (v) establishment of reasonable loan maturity terms, amortization periods, and loan renewal policies;
 - (vi) the identification and establishment of management information systems to monitor adherence to and exceptions from established policies, procedures, and underwriting standards for all loan originations by the Association through its sponsorship lending program, regardless of whether the loans or receivables are sold without recourse; and
 - (vii) a documented methodology and analysis which supports the Association's quantification of the amount of capital necessary to offset the additional risk posed by the third party provider's risk and the Association's retained lending portfolio; and
- (e) a requirement that the Association's outsourcing of IT services to third party providers be consistent with applicable laws, regulations, and regulatory guidance, including the following booklets of the Federal Financial Institutions Examination Council (FFIEC) Information Technology Examination Handbook: Outsourcing Technology Services, Supervision of Technology Service Providers, Information Security, Business Continuity Planning, Wholesale Payment Systems, and Retail Payment Systems.

7. Upon written notification from the Regional Director that the Third Party Risk Management Program is acceptable, the Association shall implement and adhere to the Third Party Risk Management Program. The Board's review of the Third Party Risk Management Program shall be documented in the Board meeting minutes. A copy of the Third Party Risk

Management Program shall be provided to the Regional Director within five (5) days of adoption by the Board.

8. Within sixty (60) days of receipt of the Regional Director's written acceptance notice of the Third Party Risk Management Program, the Association shall review each of its current sponsorship arrangements with a third party provider and prepare a written analysis detailing whether and how each arrangement complies with the Third Party Risk Management Program. The Association's analysis shall include an evaluation of the third party's performance under the terms and conditions of the contract and the Association's Third Party Risk Management Program. For each sponsorship arrangement that does not meet the requirements of the Third Party Risk Management Program, or in the event any third party provider is not meeting its obligations under the terms of an existing contract, the Association shall prepare and submit to the Regional Director, within sixty (60) days of completing its review, a written plan of the steps it will take to address any identified deficiencies, including how the Association will terminate the arrangement in the event the third party provider is unable to address an identified deficiency. In the event the written plan, or any portion thereof, is not implemented, the Association shall immediately advise the Regional Director, in writing, of specific reasons the plan or portion of the plan has not been implemented.

9. Effective immediately, the Association shall submit to the Regional Director within thirty (30) days after each meeting of the Association's Third Party Risk Committee and MPS Credit Committee, a copy of the meeting minutes, including all reports and materials made available to the committee members before, during, or after the meeting.

Compliance Management Program.

10. By August 31, 2011, the Association shall revise its written consumer compliance management program (Compliance Management Program) to ensure that it addresses all corrective actions set forth in the 2010 ROE relating to consumer compliance by third party providers performing services on behalf of the Association. The Association's Compliance Management Program shall comply with all applicable consumer and other compliance laws, regulations and regulatory guidance (Compliance Laws and Regulations) ² and be appropriate for the Association's size, complexity, product lines and business operations. At a minimum, the Compliance Management Program shall:

- (a) require that the Association's Compliance Officer be responsible for supervising compliance with the Compliance Laws and Regulations by the Association and by the Association's third party providers performing services on behalf of the Association;
- (b) require that the Association allocate resources to the compliance area that are commensurate with the Association's size, complexity, product lines, and projected business operations to ensure the implementation of an adequate Compliance Management Program, including appropriate staffing levels with qualified and experienced personnel;
- (c) require appropriate formal training programs that provide for ongoing training in Compliance Laws and Regulations for all appropriate Association employees, Board members, and third party providers performing services on behalf of the Association;
- (d) require a written consumer compliance review process before implementing new

² The term "consumer and other compliance laws, regulations and regulatory guidance" includes all laws and regulations referenced in Section 1100 (Compliance Oversight Examination Program) of the OTS Examination Handbook.

or changed products and services by third party providers on behalf of the Association; and

(e) require written record retention requirements, reporting requirements, and internal control systems to facilitate the oversight of the effectiveness of the Compliance Management Program by the Board and Senior Executive Officers.

11. Upon written notification from the Regional Director that the Compliance Management Program is acceptable, the Association shall implement and adhere to the Compliance Management Program. The Board's review of the Compliance Management Program shall be documented in the Board meeting minutes. A copy of the Compliance Management Program shall be provided to the Regional Director within five (5) days of adoption by the Board.

Bank Secrecy Act Program.

12. By August 31, 2011, the Association shall revise and submit to the Regional Director its BSA/AML policies, procedures and systems (BSA/AML Compliance Program) to address all corrective actions in the 2010 ROE related to the Currency and Foreign Transactions Reporting Act, as amended by the USA Patriot Act and other laws (the Bank Secrecy Act or BSA), 31 U.S.C. §§ 5311 et seq., and the related regulations issued and/or administered by the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN), 31 C.F.R. §§ 103.11 et seq., and the related BSA regulations issued by the OTS, 12 C.F.R. § 563.177 (collectively, the BSA Laws and Regulations), the FinCEN regulations governing SARs set forth at 31 C.F.R. § 103.18 and the OTS SAR regulation set forth at 12 C.F.R. § 563.180 (collectively, the SAR Regulations). The Association shall ensure that its third party providers are in compliance with all applicable BSA Laws and Regulations, SAR Regulations, and OFAC

Regulations while performing services or conducting activities on behalf of the Association. The Association's BSA/AML Compliance Program shall, at a minimum:

- (a) require the Association to conduct a thorough assessment of its BSA, AML and OFAC risk exposure (BSA/AML/OFAC Risk Assessment), based upon the specific products, services, customers, entities, and geographic locations unique to the Association, including all products and services offered and/or processed by or through third party providers on behalf of the Association, that may expose it to money laundering, terrorism financing, and/or other illegal activities, taking into consideration information collected from the Association's customer identification policies, procedures and processes (CIP Policy) and customer due diligence process (CDD) that shall identify the accounts that are potentially medium or high risk and the basis for such determination;
- (b) require that the third party providers processing banking products or services on behalf of the Association adopt and comply with the Association's CIP Policy and CDD policies, procedures and processes to identify Association customers and customer groups with heightened BSA/AML and OFAC risk;
- (c) require that the Association implement a system of internal controls to ensure its third party providers processing banking products or services on behalf of the Association comply with the BSA Laws and Regulations and SAR Regulations based on the Association's BSA/AML Risk Assessment;
- (d) require the Association to obtain periodic independent tests of its third party providers with respect to compliance with the Association's BSA/AML Compliance

Program and BSA Laws and Regulations to be performed by a qualified independent employee or independent third party (BSA Independent Testing), which shall be: (i) performed with an appropriate level of frequency; (ii) fully documented; and (iii) conducted with an appropriate segregation of duties; and

(e) require the Association to timely and effectively monitor, in compliance with applicable laws, regulations, and regulatory guidance, all cash transactions processed by the third party providers on behalf of the Association for possible structuring activities to evade reporting under the BSA Laws and Regulations and to timely report such structuring activities, if appropriate, pursuant to the SAR Regulations.

13. Upon written notification from the Regional Director that the BSA/AML Compliance Program is acceptable, the Association shall implement and adhere to the BSA/AML Compliance Program. The Board's review of the BSA/AML Compliance Program shall be documented in the Board meeting minutes. A copy of the BSA/AML Compliance Program shall be provided to the Regional Director within five (5) days of adoption by the Board.

Internal Audit Program.

14. By August 31, 2011, the Association shall adopt and submit to the Regional Director a written internal audit program (Internal Audit Program) sufficient to:

- (a) detect irregularities and weak practices in the Association's Third Party Risk Management Program, Compliance Management Program, and IT Third Party Management Program;
- (b) determine the level of compliance by the Association and its third party providers with all applicable laws, rules, and regulations;
- (c) assess and report the effectiveness of policies, procedures, controls, and

management oversight relating to accounting and financial reporting, including accounting and financial reporting supplied to the Association by third party providers;

(d) adequately cover all areas, including transactional testing of third party provider systems, to validate processes that monitor for unusual or suspicious activity, and the filing of cash transaction reports;

(e) document the risk assessments for auditable areas at the Association and its third party providers, to include, at a minimum:

(i) the nature of transactions (volume, size, etc.);

(ii) the nature of the operating environment, including compliance with laws and regulations, complexity of transactions, changes in volume, degree of system and reporting centralization, and the economic and regulatory environment;

(iii) internal controls, security, and management information systems; and

(iv) staffing resources, including experience of management and staff, turnover, competence, and degree of delegation; and

(f) establish an annual audit plan that details the frequency and scope of each audit, using a risk based approach sufficient to achieve these objectives.

15. In addition, the Association shall ensure that its Internal Audit Program:

(a) is independent;

(b) has resources allocated to it that are commensurate with the size and level of complexity of the Association's current and projected operations;

(c) requires internal audit staff to have access to any records necessary for the proper conduct of its activities;

(d) requires the Internal Auditor to report directly to the Audit Committee of the

Board;

(e) requires all reports prepared by the internal audit staff be filed directly with the Board and not through any intervening party; and

(f) requires all internal audit reports to be in writing and clearly state the severity of issues, violations of laws and regulations, noncompliance with policies and procedures, and whether identified issues are repeat in nature.

16. Upon written notification from the Regional Director that the Internal Audit Program is acceptable, the Association shall implement and adhere to the Internal Audit Program. The Board's review of the Internal Audit Program shall be documented in the Board meeting minutes. A copy of the Internal Audit Program shall be provided to the Regional Director within five (5) days of adoption by the Board.

17. The Board or a designated committee thereof shall ensure that immediate actions are undertaken by Association management to remedy deficiencies cited in internal audit reports and that the Internal Auditor maintain a written tracking report describing those actions. The Internal Auditor shall verify the adequacy of corrective actions prior to reporting the issue as corrected and submit such written tracking report to the Board at least quarterly.

Concentrations of Assets and Liabilities.

18. By August 31, 2011, the Association shall revise its written program for identifying, monitoring, and controlling risks associated with concentrations of assets and liabilities (Concentration Policy) to address the corrective actions set forth in the 2010 ROE relating to concentrations of assets and liabilities. The Concentration Policy shall comply with all applicable laws, regulations, and regulatory guidance and shall:

- (a) establish comprehensive concentration limits expressed as a percentage of Tier 1 (Core) Capital plus the allowance for loan and lease losses (ALLL) for subcategories of the Association's concentrations of assets and liabilities and document the appropriateness of such limits based on the Association's risk profile; and
- (b) establish enhanced risk analysis, monitoring, and management for each concentration limit.

19. A copy of the Concentration Policy shall be provided to the Regional Director within five (5) days of adoption by the Board.

Director Development Plan.

20. By September 30, 2011, the Board shall develop and submit to the Regional Director a plan for Board membership development and succession (Director Development Plan). The Director Development Plan shall require that the composition of the Board reflect the ethics, experience, objectivity and diverse perspectives necessary for effective governance and, at a minimum, shall:

- (a) require that the Board conduct an assessment of the skills and experience possessed by the current members of the Board no later than August 31, 2011;
- (b) require that the Board discuss and determine at a Board meeting no later than August 31, 2011 whether the capabilities of the Board as a whole would be enhanced through the addition of persons with particular skills and experience;
- (c) establish minimum qualifications for directors of the Association;
- (d) develop an education plan for the Board that identifies the training to be provided, which shall include training relating to a director's fiduciary responsibilities and the provision of information necessary to perform director responsibilities as contained in the

OTS Directors' Guide to Responsibilities and the OTS Directors' Guide to Management Reports; and

- (e) contain a specific timetable for completion of the actions set forth in the Director Development Plan.

21. Upon receipt of written notification from the Regional Director that the Director Development Plan is acceptable, the Association shall implement and adhere to the Director Development Plan. The Board's review of the Director Development Plan shall be documented in the Board meeting minutes. A copy of the Director Development Plan shall be provided to the Regional Director within five (5) days after the Board meeting.

Business and Capital Plan.

22. By August 31, 2011, the Association shall submit a written plan (Business and Capital Plan) for the period beginning July 1, 2011 through December 31, 2013 addressing the requirements of this Order and including capital enhancement strategies acceptable to the Regional Director. At a minimum, the Business and Capital Plan shall:

- (a) establish a minimum Tier 1 (Core) Capital Ratio and Total Risk-Based Capital Ratio commensurate with the Association's risk profile;
- (b) detail the Association's capital preservation and enhancement strategies with specific time frames to achieve and maintain the Board-established minimum capital ratios;
- (c) contain operating strategies with stated limits on growth commensurate with the Association's risk profile and operating strategies to improve core earnings from interest income;

(d) include quarterly financial projections (balance sheet and income statement), including Tier 1 (Core) and Total Risk-Based Capital Ratios, for the period covered by the Business and Capital Plan; and

(e) identify all relevant assumptions made in formulating the Business and Capital Plan and include a requirement that documentation supporting such assumptions be retained by the Association.

23. Upon receipt of written notice of non-objection from the Regional Director to the Business and Capital Plan, the Association shall implement and adhere to the Business and Capital Plan. A copy of the Business and Capital Plan shall be provided to the Regional Director within five (5) days after Board approval.

24. Any material modifications ³ to the Business and Capital Plan must receive the prior written non-objection of the Regional Director. The Association shall submit proposed material modifications to the Regional Director at least forty-five (45) days prior to implementation.

25. By December 31, 2011, and each December 31st thereafter, the Business and Capital Plan shall be updated and submitted to the Regional Director pursuant to Paragraph 22 above and shall incorporate the Association's budgeted income statement and balance sheet for the next two (2) fiscal years taking into account any material revisions to the Association's loan, investment and operating policies.

26. Within sixty (60) days after the end of each quarter, after implementation of the Business and Capital Plan, the Board shall review written quarterly variance reports on the Association's compliance with its Business and Capital Plan (Variance Reports). The Board's review of

³ A modification shall be considered material under the Order if the Association plans to: (a) engages in any activity that is inconsistent with the Business and Capital Plan; or (b) exceeds the level of any activity contemplated in the Business and Capital Plan by more than ten percent (10%).

Variance Reports and compliance with the Business and Capital Plan shall include a review of the internal and external risks affecting the Association's ability to successfully implement the Business and Capital Plan. The minutes of the Board meeting shall fully document the Board's review and discussion. The Variance Reports shall:

- (a) identify variances in the Association's actual performance during the preceding quarter as compared to the projections set forth in the Business and Capital Plan;
- (b) contain an analysis and explanation of identified material ⁴ variances; and
- (c) discuss the specific measures taken or to be taken by the Association to address identified material variances.

27. A copy of each Variance Report shall be provided to the Regional Director within five (5) days after Board approval.

Violations of Law.

28. By August 31, 2011, the Association shall ensure that all violations of law and/or regulation discussed in the 2010 ROE are corrected and that adequate policies, procedures and systems are established or revised and thereafter implemented to prevent future violations.

29. Effective immediately, the Association shall not publish advertising using any type of media or make any representation that is inaccurate in any way or misrepresents its products, services, contracts, investments, or financial condition. In addition, the Association shall ensure that its third party providers performing services on behalf of the Association do not publish advertising using any type of media or make any representation that is inaccurate in any way or misrepresents the Association's products, services, contracts, investments, or financial condition.

⁴ A variance shall be considered material under the Order if the Association exceeds or fails to meet target amounts established in the Business and Capital Plan by more than ten percent (10%).

Golden Parachute Payments.

30. Effective immediately, the Association shall not make any golden parachute payment ⁵ unless, with respect to such payment, the Association has complied with the requirements of 12 C.F.R. Part 359.

Directorate and Management Changes.

31. Effective immediately, the Association shall comply with the prior notification requirements for changes in directors and Senior Executive Officers ⁶ set forth in 12 C.F.R. Part 563, Subpart H.

Employment Contracts and Compensation Arrangements.

32. Effective immediately, the Association shall not enter into, renew, extend, or revise any contractual arrangement relating to compensation or benefits for any Senior Executive Officer or director of the Association, unless it first provides the Regional Director with not less than thirty (30) days prior written notice of the proposed transaction. The notice to the Regional Director shall include a copy of the proposed employment contract or compensation arrangement or a detailed, written description of the compensation arrangement to be offered to such director or officer, including all benefits and perquisites. The Board shall ensure that any contract, agreement, or arrangement submitted to the Regional Director fully complies with the requirements of 12 C.F.R. Part 359, 12 C.F.R. §§ 563.39 and 563.161(b), and 12 C.F.R. Part 570 – Appendix A.

⁵ The term “golden parachute payment” is defined at 12 C.F.R. § 359.1(f).

⁶ The term “Senior Executive Officer” is defined at 12 C.F.R. § 563.555.

Effective Date, Incorporation of Stipulation.

33. This Order is effective on the Effective Date as shown on the first page. The Stipulation is made a part hereof and is incorporated herein by this reference.

Duration.

34. This Order shall remain in effect until terminated, modified, or suspended, by written notice of such action by the OTS, acting by and through its authorized representatives.

Time Calculations.

35. Calculation of time limitations for compliance with the terms of this Order run from the Effective Date and shall be based on calendar days, unless otherwise noted.

36. The Regional Director or an OTS authorized representative may extend any of the deadlines set forth in the provisions of this Order upon written request by the Association that includes reasons in support for any such extension. Any OTS extension shall be made in writing.

Submissions and Notices.

37. All submissions, including any reports, to the OTS that are required by or contemplated by this Order shall be submitted within the specified timeframes.

38. Except as otherwise provided herein, all submissions, requests, communications, consents, or other documents relating to this Order shall be in writing and sent by first class U.S. mail (or by reputable overnight carrier, electronic facsimile transmission, or hand delivery by messenger) addressed as follows:

(a) **To the OTS:**

Regional Director
Office of Thrift Supervision
One South Wacker Drive, Suite 2000
Chicago, Illinois 60606
Facsimile: (312) 917-5001

(b) **To the Association:**

Chairman of the Board
MetaBank
121 East Fifth Street
Storm Lake, Iowa 50588
Facsimile: (712) 732-7105

with a copy to:

Chief Executive Officer
MetaBank
5501 South Broadband Lane
Sioux Falls, South Dakota 57108
Facsimile: (605) 338-0596

Transfer Date

39. Following the Transfer Date, *see* Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. Law No. 111-203, § 311, 124 Stat. 1520 – 21 (2010), all submissions, requests, communications, consents or other documents relating to this Order shall be directed to the Comptroller of the Currency, or to the individual, division, or office designated by the Comptroller of the Currency.

No Violations Authorized.

40. Nothing in this Order or the Stipulation shall be construed as allowing the Association, its Board, officers, or employees to violate any law, rule, or regulation.

IT IS SO ORDERED.

OFFICE OF THRIFT SUPERVISION

By: /s/ Daniel T. McKee

Daniel T. McKee
Regional Director, Central Region

In the Matter of

META FINANCIAL GROUP, INC.

Storm Lake, Iowa

OTS Docket No. H2172

Effective Date: July 15, 2011

WHEREAS, the Office of Thrift Supervision (OTS), acting by and through its Regional Director for the Central Region (Regional Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed Meta Financial Group, Inc., Storm Lake, Iowa, OTS Docket No. H2172 (Holding Company) that the OTS is of the opinion that grounds exist to initiate an administrative proceeding against the Holding Company pursuant to 12 U.S.C. § 1818(b);

WHEREAS, the Holding Company desires to cooperate with the OTS to avoid the time and expense of such administrative cease and desist proceeding by entering into this Stipulation and Consent to the Issuance of Order to Cease and Desist (Stipulation) and, without admitting or denying that such grounds exist, but only admitting the statements and conclusions in Paragraphs

1 - 3 below concerning Jurisdiction, hereby stipulates and agrees to the following terms:

Jurisdiction.

1. The Holding Company is a “savings and loan holding company” within the meaning of 12 U.S.C. § 1813(w)(3) and 12 U.S.C. § 1467a. Accordingly, the Holding Company is a “depository institution holding company” as that term is defined in 12 U.S.C. § 1813(w)(1).
2. Pursuant to 12 U.S.C. § 1818(b)(9), the “appropriate Federal banking agency” may initiate a cease and desist proceeding against a savings and loan holding company in the same manner and to the same extent as a savings association for regulatory violations and unsafe or unsound acts or practices.
3. Pursuant to 12 U.S.C. § 1813(q), the Director of OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an administrative enforcement proceeding against a savings and loan holding company. Therefore, the Holding Company is subject to the authority of the OTS to initiate and maintain an administrative cease and desist proceeding against it pursuant to 12 U.S.C. § 1818(b).

OTS Findings of Fact.

4. Based on its April 5, 2010 examination of the Holding Company, the OTS finds that the Holding Company has engaged in unsafe or unsound practices as described in the OTS Report of Examination dated April 5, 2010 by operating with: (a) policies and procedures that are detrimental to the consolidated Holding Company and (b) an inadequate level of capital protection to support the volume and risk characteristics of consolidated business lines and products.

Consent.

5. The Holding Company consents to the issuance by the OTS of the accompanying Order

to Cease and Desist (Order). The Holding Company further agrees to comply with the terms of the Order upon the Effective Date of the Order and stipulates that the Order complies with all requirements of law.

Finality.

6. The Order is issued by the OTS under 12 U.S.C. § 1818(b). Upon the Effective Date, the Order shall be a final order, effective, and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

Waivers.

7. The Holding Company waives the following:

- (a) the right to be served with a written notice of the OTS's charges against it as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;
- (b) the right to an administrative hearing of the OTS's charges as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;
- (c) the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order; and
- (d) any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs, or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, federal statutes, or otherwise.

OTS Authority Not Affected.

8. Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar, or otherwise prevent the OTS from taking any other action affecting the Holding Company if, at any time, the

OTS deems it appropriate to do so to fulfill the responsibilities placed upon the OTS by law.

Other Governmental Actions Not Affected.

9. The Holding Company acknowledges and agrees that its consent to the issuance of the Order is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 8 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Holding Company that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than the OTS.

Miscellaneous.

10. The laws of the United States of America shall govern the construction and validity of this Stipulation and of the Order.

11. If any provision of this Stipulation and/or the Order is ruled to be invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his or her sole discretion determines otherwise.

12. All references to the OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns.

13. The section and paragraph headings in this Stipulation and the Order are for convenience only and shall not affect the interpretation of this Stipulation or the Order.

14. The terms of this Stipulation and of the Order represent the final agreement of the parties with respect to the subject matters thereof, and constitute the sole agreement of the parties with respect to such subject matters.

15. The Stipulation and Order shall remain in effect until terminated, modified, or suspended

in writing by the OTS, acting through its Regional Director or other authorized representative.

Signature of Directors/Board Resolution.

16. Each Director signing this Stipulation attests that he or she voted in favor of a Board Resolution authorizing the consent of the Holding Company to the issuance of the Order and the execution of the Stipulation. This Stipulation may be executed in counterparts by the directors after approval of the execution of the Stipulation.

WHEREFORE, the Holding Company, by its directors, executes this Stipulation.

META FINANCIAL GROUP, INC.
Storm Lake, Iowa

Accepted by:
OFFICE OF THRIFT SUPERVISION

By: /s/ Daniel T. McKee
Daniel T. McKee
Regional Director, Central Region

By: /s/ James S. Haahr
James S. Haahr, Chairman

/s/ E. Thurman Gaskill
E. Thurman Gaskill, Director

/s/ J. Tyler Haahr
J. Tyler Haahr, Director

/s/ Bradley S. Hanson
Bradley S. Hanson, Director

/s/ Frederick V. Moore
Frederick V. Moore, Director

/s/ Rodney G. Muilenburg
Rodney G. Muilenburg, Director

/s/ Jeanne Partlow
Jeanne Partlow, Director

Date: See Effective Date on page 1

In the Matter of)
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METABANK)
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Storm Lake, Iowa)
OTS Docket No. 05902)
)

Effective Date: July 15, 2011

WHEREAS , the Office of Thrift Supervision (OTS), acting by and through its Regional Director for the Central Region (Regional Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed MetaBank, Storm Lake, Iowa, OTS Docket No. 05902 (Association) that the OTS is of the opinion that grounds exist to initiate an administrative proceeding against the Association pursuant to 12 U.S.C. § 1818(b);

WHEREAS, the Regional Director, pursuant to delegated authority, is authorized to issue Orders to Cease and Desist where a savings association has consented to the issuance of an order; and

WHEREAS , the Association desires to cooperate with the OTS to avoid the time and expense of such administrative cease and desist proceeding by entering into this Stipulation and Consent to the Issuance of Order to Cease and Desist (Stipulation) and, without admitting or denying that such grounds exist, but only admitting the statements and conclusions in Paragraphs

1 and 2 below concerning Jurisdiction, hereby stipulates and agrees to the following terms:

Jurisdiction.

1. The Association is a “savings association” within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, the Association is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c).
2. Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an administrative enforcement proceeding against a savings association. Therefore, the Association is subject to the authority of the OTS to initiate and maintain an administrative cease and desist proceeding against it pursuant to 12 U.S.C. § 1818(b).

OTS Findings of Fact.

3. Based on a comprehensive examination of the Association dated April 5, 2010
(2010 ROE), the OTS finds that the Association has engaged in the following violations of law or regulation:

- (a) 12 C.F.R. § 563.177(c)(1) (requiring the development of a system of internal controls to assure ongoing compliance with Bank Secrecy Act and Anti Money Laundering (BSA/AML) regulations);
- (b) 12 C.F.R. § 563.177(b)(2) (requiring the implementation of a customer identification program as part of the BSA compliance program);
- (c) 15 U.S.C. § 45(a)(1) (prohibiting unfair or deceptive acts or practices); and
- (d) 12 C.F.R. § 563.27 (prohibiting savings associations from using any advertising or making any representation that is inaccurate in any particular way or misrepresents in any way its services, contracts, investments, or financial condition).

4. The OTS finds that the Association has engaged in unsafe or unsound banking practices that have resulted in it operating: (a) without adequate internal controls, management information systems, and internal audit reviews of its third party sponsorship arrangements; and (b) without adequate information technology ("IT") policies and procedures as described in the 2010 ROE.

Consent.

5. The Association consents to the issuance by the OTS of the accompanying Order to Cease and Desist (Order). The Association further agrees to comply with the terms of the Order upon the Effective Date of the Order and stipulates that the Order complies with all requirements of law.

Finality.

6. The Order is issued by the OTS under 12 U.S.C. § 1818(b). Upon the Effective Date, the Order shall be a final order, effective, and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

Waivers.

7. The Association waives the following:

- (a) the right to be served with a written notice of the OTS's charges against it as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;
- (b) the right to an administrative hearing of the OTS's charges as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;
- (c) the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order; and

(d) any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs, or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, federal statutes or otherwise.

OTS Authority Not Affected.

8. Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar, or otherwise prevent the OTS from taking any other action affecting the Association if at any time the OTS deems it appropriate to do so to fulfill the responsibilities placed upon the OTS by law.

Other Governmental Actions Not Affected.

9. The Association acknowledges and agrees that its consent to the issuance of the Order is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 8 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Association that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than the OTS.

Miscellaneous.

10. The laws of the United States of America shall govern the construction and validity of this Stipulation and of the Order.

11. If any provision of this Stipulation and/or the Order is ruled to be invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his or her sole discretion determines otherwise.

12. All references to the OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns.

13. The section and paragraph headings in this Stipulation and the Order are for convenience only and shall not affect the interpretation of this Stipulation or the Order.

14. The terms of this Stipulation and of the Order represent the final agreement of the parties with respect to the subject matters thereof, and constitute the sole agreement of the parties with respect to such subject matters.

15. The Stipulation and Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Regional Director or other authorized representative.

Signature of Directors/Board Resolution.

16. Each Director signing this Stipulation attests that he or she voted in favor of a Board Resolution authorizing the consent of the Association to the issuance of the Order and the execution of the Stipulation. This Stipulation may be executed in counterparts by the directors after approval of execution of the Stipulation at a duly called board meeting.

[Remainder of Page Intentionally Left Blank]

WHEREFORE, the Association, by its directors, executes this Stipulation.

METABANK
Storm Lake, Iowa

Accepted by:
Office of Thrift Supervision

/s/ James S. Haahr
James S. Haahr, Chairman

By: /s/ Daniel T. McKee
Daniel T. McKee
Regional Director, Central Region

/s/ E. Thurman Gaskill
E. Thurman Gaskill, Director

Date: See Effective Date on page 1

/s/ J. Tyler Haahr
J. Tyler Haahr, Director

/s/ Bradley C. Hanson
Bradley C. Hanson, Director

/s/ Frederick V. Moore
Frederick V. Moore, Director

/s/ Rodney G. Muilenburg
Rodney G. Muilenburg, Director

/s/ Jeanne Partlow
Jeanne Partlow, Director

In the Matter of)
)
)
)
METABANK)
)
)
Storm Lake, Iowa)
OTS Docket No. 05902)
)

Effective Date: July 15, 2011

WHEREAS, MetaBank, Storm Lake, Iowa, OTS Docket No. 05902 (Association), by and through its Board of Directors (Board), has executed a Stipulation and Consent to the Issuance of an Order of Assessment of a Civil Money Penalty (Stipulation); and

WHEREAS, pursuant to delegated authority, the OTS Regional Director for the Central Region (Regional Director), is authorized to issue Orders of Assessment of a Civil Money Penalty where a savings association has consented to the issuance of an order.

Payment of Civil Money Penalty.

- MetaBank
Order of Assessment of a Civil Money Penalty
Page 1 of 2

payable to the order of the Treasury of the United States. The Association shall pay such civil money penalty itself and is prohibited from seeking or accepting indemnification for such payment from any third party.

Effective Date, Incorporation of Stipulation.

2. This Order is effective on the Effective Date as shown on the first page. The Stipulation is made a part hereof and is incorporated herein by this reference.

IT IS SO ORDERED.

OFFICE OF THRIFT SUPERVISION

By: /s/ Daniel T. McKee
Daniel T. McKee
Regional Director, Central Region

**UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION**

In the Matter of)	
)	Order No.: CN 11-27
)	
METABANK)	
)	Effective Date: July 15, 2011
)	
Storm Lake, Iowa)	
OTS Docket No. 05892)	
)	

**STIPULATION AND CONSENT TO THE ISSUANCE OF
AN ORDER OF ASSESSMENT OF A CIVIL MONEY PENALTY**

WHEREAS , the Office of Thrift Supervision (OTS), acting by and through its Regional Director for the Central Region (Regional Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed MetaBank, Storm Lake, Iowa, OTS Docket No. 05902 (Association), that grounds exist to initiate a civil money penalty assessment proceeding against the Association pursuant to 12 U.S.C. § 1818(i); and

WHEREAS, the Regional Director, pursuant to delegated authority, is authorized to issue Orders of Assessment of a Civil Money Penalty where a savings association has consented to the issuance of an order; and

WHEREAS, the Association desires to cooperate with the OTS to avoid the time and expense of an administrative civil money penalty proceeding by entering into this Stipulation and Consent to the Issuance of an Order of Assessment of a Civil Money Penalty (Stipulation) without admitting or denying that such grounds exist, but only admitting the statements and

conclusions in Paragraphs 1 and 2 below concerning Jurisdiction, hereby stipulates and agrees as follows:

Jurisdiction.

1. The Association is a “savings association” within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, the Association is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c).
2. Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the “appropriate Federal banking agency” to initiate and maintain a civil money penalty proceeding against the Association pursuant to 12 U.S.C. § 1818(i).

OTS Findings of Fact.

3. Based on its Report of Examination of the Association dated April 5, 2010, OTS finds the Association has recklessly engaged in unsafe or unsound banking practices in conducting the affairs of the Association, including:
 - (a) failing to monitor customer use of the iAdvance line of credit service and discourage borrowing that was inconsistent with the Association’s intent to meet the short-term credit needs of its customers as provided for in the iAdvance Terms and Conditions and Agreement; and
 - (b) failing to establish adequate controls to prudently monitor and oversee the activities of its third party providers.
4. Based on its Report of Examination of the Association dated April 5, 2010, OTS finds the Association has violated various laws and/or regulations, including:
 - (a) 15 U.S.C. § 45(a)(1) – (unfair or deceptive acts or practices in or affecting commerce); and

(b) 12 C.F.R. § 563.27 – (advertising or representations that are inaccurate or constitute misrepresentation).

5. The unsafe or unsound practices and violations referenced in Paragraphs 3 and 4 above were part of a pattern of misconduct, caused or are likely to cause more than a minimal loss to the Association, and/or resulted in pecuniary gain or other benefit to the Association.

Consent.

6. The Association consents to the issuance by the OTS of the accompanying Order of Assessment of a Civil Money Penalty (Order). The Association further agrees to comply with the terms of the Order upon the Effective Date of the Order and stipulates that the Order complies with all requirements of law.

Finality.

7. This Order is issued by the OTS under the authority of 12 U.S.C. § 1818(i). Upon the Effective Date it shall be a final order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

Waivers.

8. The Association waives the following:

- (a) the right to be served with a written notice of the OTS's assessment of a civil money penalty against it as provided by 12 U.S.C. § 1818(i); and 12 C.F.R. Part 509;
- (b) the right to an administrative hearing including, without limitation, any such right provided by 12 U.S.C. §§ 1818(h) or 1818(i).
- (c) the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. §§ 1818(h) or 1818(i), or otherwise to challenge the validity of the Order;

(d) any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs, or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, federal statutes, or otherwise; and

(e) the right to assert this proceeding, this consent to the issuance of the Order, and/or the issuance of the Order, the payment of any monies, or the provision of any other financial relief as contemplated by the Order, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other governmental entity.

OTS Authority Not Affected.

9. Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar or otherwise prevent the OTS from taking any other action affecting the Association if at any time the OTS deems it appropriate to do so to fulfill the responsibilities placed upon the OTS by law. The OTS agrees not to institute further proceedings against the Association for the specific acts, omissions, or violations in the Findings of Fact set forth in Paragraphs 3 and 4 above to the extent known to the OTS as of the Effective Date of the accompanying Order, unless such acts, omissions, or violations reoccur.

Other Governmental Actions Not Affected.

10. The Association acknowledges and agrees that its consent to the issuance of the accompanying Order is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 9 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the

Association that arises pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than the OTS.

Miscellaneous.

11. The laws of the United States of America shall govern the construction and validity of this Stipulation and the Order.
12. If any provision of this Stipulation and/or the Order is ruled to be invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his or her sole discretion determines otherwise.
13. All references to the OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns.
14. The section and paragraph headings in this Stipulation and the Order are for convenience only and shall not affect the interpretation of this Stipulation or the Order.
15. The terms of this Stipulation and the Order represent the final agreement of the parties with respect to the subject matters hereof and constitute the sole agreement of the parties with respect to such subject matters.

Signature of Directors/Board Resolution.

16. Each Director signing this Stipulation attests that he or she voted in favor of a Board resolution authorizing the consent of the Association to the issuance of the Order and the execution of the Stipulation. This Stipulation may be executed in counterparts by the directors after approval of execution of the Stipulation at a duly called board meeting.

WHEREFORE , the Association, by its directors, executes this Stipulation.

METABANK
Storm Lake, Iowa

OFFICE OF THRIFT SUPERVISION

/s/ James S. Haahr
James S. Haahr, Chairman

By: /s/ Daniel T. McKee
Daniel T. McKee
Regional Director, Central Region

/s/ E. Thurman Gaskill
E. Thurman Gaskill, Director

Date: See Effective Date on page 1

/s/ J. Tyler Haahr
J. Tyler Haahr, Director

/s/ Bradley C. Hanson
Bradley C. Hanson, Director

/s/ Frederick V. Moore
Frederick V. Moore , Director

/s/ Rodney G. Muilenburg
Rodney G. Muilenburg, Director

/s/ Jeanne Partlow
Jeanne Partlow, Director



Investor Relations
712.732.4117

Meta Financial Group, Inc.® Reports 2011 Third Quarter Results

Earnings of \$2.4 million excluding regulatory payments Settlement of Office of Thrift Supervision regulatory actions

Storm Lake, Iowa – July 18, 2011, Meta Financial Group, Inc.® (the “Company”) (NASDAQ: CASH)

Highlights for the fiscal 2011 third quarter ended June 30, 2011

- Meta Financial Group (MFG) reported a fiscal 2011 third quarter net loss of \$1.0 million versus net income of \$3.5 million in the 2010 third quarter
- Recorded charges of \$5.2 million, (\$3.4 million after taxes and \$1.08 per share), resolving previously disclosed actions of the Office of Thrift Supervision (OTS)
- The Meta Payment Systems (MPS) segment recorded a 2011 third quarter net loss of \$1.9 million (earnings were \$1.5 million excluding the regulatory charges) compared to net income of \$3.0 million for 2010
- The Traditional Bank (Retail Bank) segment recorded 2011 third quarter earnings of \$1.0 million compared to net income of \$0.7 million for the quarter in 2010
- Non-performing assets were 1.53% of total assets compared to 0.94% at September 30, 2010 while still comparing favorably to industry averages of over 3.0%
- MetaBank’s total risk-based capital ratio was 20.0% compared to the 10.0% requirement for a “well-capitalized” bank. Tier 1 core capital was 7.4% compared to the 5.0% well-capitalized level

Meta Financial Group reported a net loss for the 2011 fiscal third quarter of \$1.0 million, or 33 cents per diluted share, compared to earnings of \$3.5 million, or \$1.11 per diluted share, for the prior year period. Core business results were earnings of \$2.9 million compared to \$1.8 million in the same fiscal 2010 quarter. For purposes of this comparison, core business excludes from both periods the iAdvance and tax loan and tax refund programs which were discontinued in October 2010, as well as items such as the \$5.2 million in payments (\$3.4 million after taxes) related to previously disclosed OTS administrative actions related to the iAdvance program as well as higher legal and consulting expenses incurred as a result of regulatory matters. These matters are more fully discussed below in “Settlement of OTS Enforcement Matters” and the Core Earnings impact is illustrated in the table below.

Year-to-date net income for the nine months ended June 30, 2011 was \$2.4 million, or 79 cents per diluted share, compared to \$9.9 million, or \$3.37 per diluted share, for the prior year period. Core Earnings, as defined above and shown in the table below, were \$8.3 million compared to \$1.3 million for the comparable period in fiscal 2010. In addition to the discontinuance of the iAdvance and certain income tax-related programs, core business results exclude the previous \$1.5 million write-off of goodwill, the settlement of the Office of Thrift Supervision (OTS) administrative actions and related elevated legal and accounting expenses. MetaBank remains a well-capitalized institution under federal bank regulatory guidelines.

Management believes that a presentation of Core Earnings provides a meaningful comparison between periods by excluding certain earnings and expenses of the discontinued MPS product lines and settlement charges of related regulatory actions during the nine months ended June 30, 2011. Management has defined Core Earnings for MFG as Net Income per Generally Accepted Accounting Principles, adjusted for regulatory enforcement assessments, the goodwill write off, legal and consulting expenses related to OTS regulatory matters and lastly, the impact of discontinuing the iAdvance and tax products programs .

Calculation of Core Earnings

(Dollars in Millions)

	Three Months Ended		Nine Months Ended	
	6/30/11	6/30/10	6/30/11	6/30/10
Net Income –Per Statement of Operations	\$ (1.0)	\$ 3.5	\$ 2.4	\$ 9.9
Adjustments				
iAdvance Remuneration	4.8	-	4.8	-
Civil Money Penalty Assessment	0.4	-	0.4	-
Tax Programs and iAdvance	0.3	(2.8)	0.1	(13.8)
Legal and Consulting Related to OTS Matters	0.5	-	1.5	-
Goodwill Write Off	-	-	1.5	-
Impact of Taxes	(2.1)	1.1	(2.4)	5.2
Core Earnings	<u>\$ 2.9</u>	<u>\$ 1.8</u>	<u>\$ 8.3</u>	<u>\$ 1.3</u>

President and Chief Executive Officer J. Tyler Haahr commented, “Notwithstanding the considerable effect on the bottom line of the charges for settlement of OTS regulatory actions, we are reassured by the durable performance of our MPS business lines, even absent the three product lines that have been discontinued; and by continued encouraging signs that our Traditional Bank segment is experiencing a gradually improving environment. We therefore expect profitability for our fourth fiscal quarter and fiscal year as the OTS settlement has now been recorded and our higher consulting and legal costs are projected to decrease as a result. Nearing the end of a difficult year, I can report that our tangible book value closed at \$24.59 per share, an increase of 10% from the prior fiscal year end.”

Settlement of OTS Enforcement Matters

As previously disclosed, the OTS had issued Supervisory Directives to MetaBank based on the OTS' assessment of MetaBank's third-party relationship risk, enterprise risk management, and rapid growth (in the MPS division) and had also advised MetaBank that the OTS had determined that MetaBank engaged in unfair or deceptive acts or practices in violation of Section 5 of the Federal Trade Commission Act and the OTS Advertising Regulation in connection with MetaBank's operation of the iAdvance line of credit program. Related to the Supervisory Directives, as was previously disclosed, the OTS advised that it was preparing a Cease and Desist Order for each of the Company and MetaBank, would require MetaBank to reimburse certain iAdvance customers in an amount to be determined, and was considering assessment of a civil money penalty against MetaBank.

On July 15, 2011, the Company and MetaBank each stipulated and consented to a Cease and Desist Order (the "Orders") issued by the OTS. Under the Orders, the OTS and MetaBank agreed upon a Remuneration Plan to provide reimbursement to iAdvance Line of Credit borrowers affected by MetaBank's failure to implement a recurring use plan. The Remuneration Plan provides for an aggregate amount of \$4.8 million. MetaBank also stipulated and consented to an Order of Assessment of a Civil Money Penalty (the "Assessment") providing for MetaBank's payment of \$400,000. The Orders and the Assessment became effective on July 15, 2011. Under the terms of the Orders and the Assessment, the OTS acknowledges that the Company and MetaBank neither admit nor deny the OTS findings in the Orders and the Assessment or that grounds exist to initiate a proceeding.

As the Company had expected, the Orders require the Company and MetaBank to submit to the OTS (or its successor) various management and compliance plans and programs to address the matters initially identified in the Supervisory Directives as well as plans for enhancing Company and Bank capital and require OTS non-objection for Company cash dividends, distributions, share repurchases, payments of interest or principal on debt and incurrence of debt. By separate letter agreement, the OTS did not object to the Company's payment of its scheduled July 2011 trust preferred security payment. The Orders for the Company and the Bank, both of which are well-capitalized under federal banking guidelines, do not require minimum capital ratios at specified levels higher than those otherwise required by applicable regulations. Under the terms of the Order, MetaBank agrees that it will cease and desist from (1) violations of certain laws and regulations and (2) unsafe or unsound practices that resulted in it operating without adequate: (a) internal controls, management information systems and internal audit reviews of its third party sponsorship arrangements; and (b) certain information technology policies and procedures. The limitations related to MPS following the issuance of the Supervisory Directives remain in place. Such limitations include receiving the prior written approval of the Regional Director before MetaBank may (1) enter into any new third party relationship agreement concerning any credit product, deposit product (including prepaid cards), or automatic teller machine or materially amend any such existing agreement (except for amendments to achieve compliance with applicable laws, regulations, or regulatory guidance); (2) originate, directly or through any third party, tax refund anticipation loans; (3) offer a tax refund transfer processing service directly or through any third party; or (4) offer or originate iAdvance lines of credit to new customers or permit draws on existing iAdvance lines of credit, either directly or through any third party.

Since the issuance of the Supervisory Directives, the Company and MetaBank have been cooperating with the OTS to correct those aspects of our operations that were addressed in the Orders, and believe we have already made substantial progress. The Company and MetaBank have completed many of the items in the Orders and expect to complete all of the required actions in the Orders by their respective deadline dates.

The descriptions of the Orders and the Assessment in this press release are qualified in their entirety by reference to the Orders and the Assessment, copies of which are included as exhibits to the Form 8-K filed today with the Securities and Exchange Commission.

President and Chief Executive Officer J. Tyler Haahr further stated “We are pleased to have consensually resolved the OTS matters in the interest of our shareholders. With the resolution of the OTS administrative actions we have put the uncertainty of the reimbursement and the assessment issues behind us”

Summary Financial Data *	Three Months Ended			Nine Months Ended	
	6/30/11	3/31/11	6/30/10	6/30/11	6/30/10
Net interest income – millions	\$ 8.8	\$ 8.4	\$ 8.7	\$ 25.5	\$ 25.0
Non-interest income – millions	8.7	19.5	18.8	43.5	78.5
Net income (loss) – millions	(1.0)	2.7	3.5	2.4	9.9
Diluted earnings(loss) per share	(0.33)	0.88	1.11	0.79	3.37
Net interest margin	3.29%	2.97%	3.45%	3.18%	3.48%
Non-performing assets - % of total assets	1.53%	1.54%	0.74%		

* See a more detailed Financial Highlights table at the end of this document.

Financial Summary

Net Interest Income

Net interest income for the fiscal 2011 third quarter was \$8.8 million, up \$0.1 million, or 2%, from the same quarter last year. Net interest margin decreased from 3.45% in the 2010 third quarter to 3.29% while interest earning assets increased in the current year period.

Overall, asset yields declined by 31 basis points due both to a lower interest rate environment and to an ongoing shift in our asset mix to more government guaranteed mortgage-backed securities (MBS). MBS comprise 56% of average interest earning assets compared to 49% one year ago.

Net interest income for the nine months ended June 30, 2011 was \$25.5 million, up \$0.5 million or 2% higher than 2010. Contributing to this increase was a 14 basis point decrease in rates paid on interest-bearing liabilities, a \$43.0 million reduction in the average balances of interest-bearing liabilities, and a 12% increase in earning assets. These were partially offset by overall asset yields that decreased 48 basis points, in large part due to the lower rate environment, faster prepayments in the Company's mortgage-backed securities portfolio as compared to the prior year, and the prior-year effect of tax-related loans.

Overall, cost of funds for all deposits and borrowings decreased by 16 basis points to 0.44% during the 2011 third quarter from 0.60% in the 2010 third quarter. As of June 30, 2011, low- and no-cost checking deposits represented 86% of total deposits compared to 79% one year earlier. This increase was driven primarily by growth in deposits from existing MPS programs as compared to one year earlier.

The Company's average interest-earning assets for the 2011 third quarter grew by \$70.4 million, or 7%, to \$1.08 billion, up from \$1.01 billion during the same quarter last year. This primarily reflects the increase in the Company's securities portfolio as the Company's average loan portfolio balance decreased by \$68.9 million.

The Company's average total deposits and interest-bearing liabilities for the 2011 third quarter increased \$76.4 million, or 8%, to \$1.04 billion from \$0.97 billion for the same quarter last year. This increase resulted primarily from an increase in MPS non-interest bearing deposits.

Non-Interest Income

2011 third quarter non-interest income of \$8.7 million decreased \$10.1 million, or 54%, from the same quarter in 2010. This was primarily because MPS fee income declined by \$9.9 million, or 55%, in part due to the discontinuance of iAdvance and certain income tax-related programs. iAdvance was discontinued in mid-October 2010 and there were no income tax loan or refund transfer-related programs in the fiscal 2011 third quarter as had been the case in the prior comparable period. The remainder of the decrease relates to the \$4.8 million refund of iAdvance fees pursuant to the OTS order.

Non-interest income of \$43.5 million for the nine months ended June 30, 2011 decreased \$35.0 million, or 45%, over the same period in the prior year. MPS fee income declined by \$34.1 million, or 46%, and due mainly to the same factors mentioned above.

Non-Interest Expense

Non-interest expense decreased \$1.8 million, or 9%, to \$19.3 million for the 2011 third quarter as compared to the same period in fiscal 2010. Card processing expense was \$2.2 million lower as a result of the absence of the aforementioned iAdvance and certain income tax-related programs. Compensation expense was \$7.2 million for the 2011 third quarter, improving \$0.3 million, or 5%, from the same period in 2010. Overall staffing is 3% lower than June 2010 as programs to further streamline operations at both the Retail Bank and MPS were implemented. Staff previously involved in the iAdvance and tax loan business have generally been redeployed to other areas such as compliance and third party oversight. Partially offsetting these improvements was the civil money penalty assessment of \$0.4 million as part of the overall OTS-related settlement.

Fiscal year-to-date 2011 non-interest expense decreased by \$8.6 million, or 12%, to \$64.2 million. Card processing expenses decreased 36% to \$19.2 million, and personnel costs decreased by 8% to \$23.1 million which were partially offset by higher legal and consulting expenses related solely to OTS matters of \$1.5 million, the \$1.5 million write off of goodwill due to impairment in the first quarter of fiscal 2011, and the \$0.4 million OTS penalty described above.

Charges Related to OTS Settlement

The Company has reflected a charge in the quarter ended June 30, 2011 of \$5.2 million related to the \$4.8 million aggregate amount of the reimbursement and the \$0.4 million Assessment. On an after-tax basis, this charge equates to \$3.4 million, or \$1.08 per diluted share, and reflects the entire amount to be paid out under the OTS Orders. While we expect to continue to incur somewhat higher than historical expenses for compliance with the ongoing requirements of the Orders, we do not believe that these incremental expenses will have a material impact on the financial condition or results of operations of MetaBank or the Company.

Credit Quality

Non-performing assets at June 30, 2011 were \$16.4 million, up \$6.7 million and representing 1.53% of total assets, compared to \$9.7 million and 0.94% at September 30, 2010 and down from a peak of 2.4% at June 30, 2009. There were no non-performing assets within the MPS segment at June 30, 2011.

June 30, 2011, Retail Bank non-performing loans totaled \$13.9 million, representing 4.4% of total loans, compared to \$8.3 million, or 2.2% of total loans at September 30, 2010 and \$7.2 million or 1.5% at June 30, 2010. Three commercial relationships totaling \$9.6 million account for the increase from September 30, 2010 and were partially offset by improvements in other loans.

Foreclosed real estate and repossessed assets increased to \$2.5 million as compared to \$1.3 million at September 30, 2010 primarily due to the Company foreclosing on a \$2.0 million agricultural relationship in the quarter ending June 30, 2011 which was partially offset by the write-down and sale of foreclosed real estate and repossessed assets. This agricultural relationship was in the non-performing loan category of the Company at September 30, 2010.

Loans

Total loans, net of allowance for loan losses, decreased \$53.7 million, or 14.7%, to \$312.3 million at June 30, 2011 as compared to September 30, 2010. All loan categories decreased due to broadly lower demand in the Company's markets, a reduction in purchased loans, and increased repayment and prepayment speeds given the lower interest rate environment.

Deposits and Other Liabilities

Total average MPS-generated deposits were up \$146.8 million, or 25%, for June 30, 2011, as compared to June 30, 2010. This increase results mostly from growth in existing core prepaid card programs over the course of the year. Retail bank average checking balances were up \$9.5 million, or 21%, in June 2011, as compared to one year ago. The Company decreased its advances and other borrowings by \$0.2 million during the nine months ended June 30, 2011.

Business Segment Performance

Meta Payment Systems

For the 2011 third quarter, MPS recorded a net loss of \$1.9 million, or 62 cents per diluted share, as compared to net income of \$3.0 million, or 93 cents per diluted share for the same period last year. Excluding the effect of the OTS-related payments, earnings were \$1.5 million.

MPS 2011 third quarter revenue decreased by 47.6%, from \$21.1 million in fiscal 2010 to \$11.0 million in 2011. The revenue and income declines in this quarter were due to the aforementioned discontinuance of the iAdvance and certain income tax-related programs and the effect of the regulatory payments. The average transfer pricing yield MPS received for its deposits was 1.59% in 2010 and 1.32% in the 2011 period. Non-interest income for the quarter decreased from \$18.2 million in fiscal 2010 to \$8.2 million, or 55%, in 2011, again due to the previously discussed factors.

2011 third quarter non-interest expenses decreased by \$1.9 million, or 11.9%, tracking volume-related decreases in direct program support costs of \$2.5 million and a reduction in compensation and benefits expense of \$0.2 million. This was offset in part by higher overall costs of \$0.8 million generally related to higher legal and consulting expense related to the Office of Thrift Supervision enforcement matters, and other miscellaneous operating expense.

Traditional Banking

The Traditional Banking segment recorded net income of \$1.0 million, or 32 cents per diluted share, for the third quarter of fiscal year 2011, compared to net income of \$0.7 million, or 22 cents per diluted share in 2010.

Capital Ratios

2011 third quarter results were impacted by a decrease in provision for loan losses of \$0.6 million and an increase in net interest income of \$0.1 million, which were offset by an increase in non-interest expense of \$0.2 million.

MetaBank continues to meet and exceed all federal regulatory requirements to remain classified as a well-capitalized institution under applicable regulations. MetaBank's Tier 1 (core) capital to adjusted total assets ratio is 7.4% compared to a well-capitalized requirement of 5.0%, its total capital to risk-weighted assets ratio is 20.0% compared to the required 10.0% level to achieve well-capitalized status, and MetaBank's Tier 1 (core) capital to risk-weighted assets ratio is 18.9% compared to a well-capitalized requirement of 6.0%.

This press release and other important information about the Company are available at [http:// www.metafinancialgroup.com](http://www.metafinancialgroup.com).

Corporate Profile: Meta Financial Group, Inc. ®, ("Meta Financial" or the "Company") is the holding company for its wholly-owned subsidiary MetaBank TM (the "Bank"). MetaBank is a federally-chartered savings bank with four market areas: Northwest Iowa Market, Brookings Market, Central Iowa Market, Sioux Empire Market; and the Meta Payment Systems ® prepaid card division. Twelve retail banking offices and one administrative office support customers throughout northwest and central Iowa, and in Brookings and Sioux Falls, South Dakota.

The Company and the Bank, may from time to time make written or oral "forward-looking statements," including statements contained in its filings with the Securities and Exchange Commission, in its reports to shareholders, and in other communications by the Company, which are made in good faith by the Company pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements include statements with respect to the Company's beliefs, expectations, estimates, and intentions that are subject to significant risks and uncertainties, and are subject to change based on various factors, some of which are beyond the Company's control. Such statements address, among others, the following subjects: future operating results; customer retention; loan and other product demand; important components of the Company's balance sheet and income statements; growth and expansion; new products and services, such as those offered by MPS or MetaBank; credit quality and adequacy of reserves; technology; and our employees. The following factors, among others, could cause the Company's financial performance to differ materially from the expectations, estimates, and intentions expressed in such forward-looking statements: the strength of the United States economy in general and the strength of the local economies in which the Company conducts operations; the effects of, and changes in, trade, monetary, and fiscal policies and laws, including interest rate policies of the Federal Reserve Board, as well as efforts of the United States Treasury in conjunction with bank regulatory agencies to stimulate the economy and protect the financial system; inflation, interest rate, market, and monetary fluctuations; the timely development of and acceptance of new products and services offered by the Company as well as risks (including reputational and litigation) attendant thereto and the perceived overall value of these products and services by users; the risks of dealing with or utilizing third-party vendors; the scope of restrictions and compliance requirements imposed by the Cease and Desist Orders entered into by the Company and MetaBank with the OTS and any other such actions which may be initiated; the impact of changes in financial services' laws and regulations; technological changes, including but not limited to the protection of electronic files or databases; acquisitions; litigation risk in general, including but not limited to those risks involving the MPS division; the growth of the Company's business as well as expenses related thereto; changes in consumer spending and saving habits; and the success of the Company at managing and collecting assets of borrowers in default.

The foregoing list of factors is not exclusive. Additional discussions of factors affecting the Company's business and prospects are contained in the Company's periodic filings with the SEC. The Company expressly disclaims any intent or obligation to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Company or its subsidiaries.

Financial Highlights

Consolidated Statements of Financial Condition

(Dollars In Thousands)

	June 30, 2011	September 30, 2010
Assets		
Cash and cash equivalents	\$ 65,210	\$ 87,503
Investments and mortgage-backed securities	629,108	506,852
Loans receivable, net	312,328	366,045
Other assets	67,834	69,366
Total assets	\$ 1,074,480	\$ 1,029,766
Liabilities		
Deposits	\$ 928,589	\$ 897,454
Other borrowings	40,992	41,214
Other liabilities	26,835	19,054
Total liabilities	996,416	957,722
Shareholders' equity	78,064	72,044
Total liabilities and shareholders' equity	\$ 1,074,480	\$ 1,029,766

Consolidated Statements of Income

	For the 3 Months Ended June 30:		For the 9 Months Ended June 30:	
	2011	2010	2011	2010
(Dollars In Thousands, Except Share and Per Share Data)				
Interest income	\$ 9,980	\$ 10,114	\$ 29,180	\$ 29,561
Interest expense	1,153	1,456	3,658	4,583
Net interest income	8,827	8,658	25,522	24,978
Provision for loan losses	(161)	609	25	14,778
Net interest income after provision for loan losses	8,988	8,049	25,497	10,200
Non-interest income	8,708	18,793	43,484	78,467
Non-interest expense	19,312	21,159	64,181	72,828
Income before income tax expense	(1,616)	5,683	4,800	15,839
Income tax expense (benefit)	(596)	2,145	2,352	5,935
Net income (loss)	\$ (1,020)	\$ 3,538	\$ 2,448	\$ 9,904
Earnings (loss) per common share				
Basic	\$ (0.33)	\$ 1.15	\$ 0.79	\$ 3.44
Diluted	\$ (0.33)	\$ 1.11	\$ 0.79	\$ 3.37

Selected Financial Information

For the 9 Months Ended June 30,	2011	2010
Return on average assets	0.29%	1.31%
Return on average equity	3.98%	23.30%
Average shares outstanding for diluted earnings per share	3,113,287	2,940,646
At Period Ended:	June 30, 2011	September 30, 2010
Equity to total assets	7.27%	7.00%
Book value per common share outstanding	\$ 25.04	\$ 23.15
Tangible book value per common share outstanding	\$ 24.59	\$ 22.30

Common shares outstanding	3,117,363	3,111,413
Non-performing assets to total assets	1.53%	0.94%