

META FINANCIAL GROUP INC
Form S-3/A
June 12, 2012

As filed with the Securities and Exchange Commission on June 12, 2012

Registration No. 333-181783

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1 to
FORM S-3

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

META FINANCIAL GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or
organization)

42-1406262

(I.R.S. Employer Identification No.)

121 East Fifth Street
Storm Lake, Iowa 50588
(712) 732-4117
(address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

David W. Leedom
Executive Vice President and Chief Financial Officer
121 East Fifth Street
Storm Lake, Iowa 50588
(712) 732-4117
(Name, address, including zip code, and telephone number
including area code, of agent for service)

Copy to:
Jeffrey M. Werthan, Esq.
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2900 K Street NW, Suite 200
Washington, D.C. 20007
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Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. The selling stockholders named in this prospectus may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated June 12, 2012

PROSPECTUS

640,000 shares

Meta Financial Group, Inc.

Common Stock

This prospectus relates solely to the resale of up to an aggregate of 640,000 shares of common stock of Meta Financial Group, Inc. (“Meta Financial” or the “Company”) by the non-affiliate selling stockholders named in this prospectus. The shares offered by this prospectus relate to shares issued in three separate private placements of shares completed in May 2012.

The selling stockholders may offer the shares from time to time as each selling stockholder may determine through public or private transactions or through other means described in the section entitled “Plan of Distribution” on page 5. Each selling stockholder may also sell shares under Rule 144 under the Securities Act of 1933, as amended (the “Securities Act”), if available, rather than under this prospectus. The registration of these shares for resale does not necessarily mean that the selling stockholders will sell any of their shares.

The Company will not receive any of the proceeds from the sale of these shares by the selling stockholders.

The shares of the Company’s common stock are listed on the NASDAQ Global Market under the symbol “CASH.” On June 11, 2012, the closing price of the Company’s shares was \$20.86 per share.

Investing in these securities involves risks. You should carefully review the discussion under the heading “Risk Factors” on page 1.

The Company’s common stock is not a savings account, deposit or other obligation of any of our bank or nonbank subsidiaries. The common stock is not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus is dated June , 2012

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or SEC, using a “shelf” registration, or continuous offering, process. Pursuant to this shelf process, the selling stockholders named under the heading “Selling Stockholders” may sell the securities described in this prospectus from time to time in one or more offerings. We may also file a prospectus supplement to add, update or change information contained in this prospectus. This prospectus, any applicable prospectus supplement and the documents incorporated by reference herein include important information about us, the securities being offered and other information you should know before investing. You should read this prospectus and any applicable prospectus supplement together with the additional information about us described in the sections below entitled “Available Information” and “Information Incorporated by Reference.”

The information in this prospectus and any prospectus supplement is accurate as of the date on the front cover. Information incorporated by reference into this prospectus and any prospectus supplement is accurate as of the date of the document from which the information is incorporated. You should not assume that the information contained in this prospectus or any prospectus supplement is accurate as of any other date.

Unless the context otherwise requires, all references in this prospectus to “Meta Financial,” “us,” “our,” “we,” the “Company” or other similar terms are to Meta Financial Group, Inc.

AVAILABLE INFORMATION

We are a public company and are required to file annual, quarterly and current reports, proxy statements and other information with the SEC pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”). You may read and copy any document we file at the SEC’s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of these documents by writing to the SEC and paying a fee for the copying cost. Please call the SEC at 1-800-SEC-0330 for more information about the operation of the public reference room. Our SEC filings are also available to the public on the SEC’s website at “<http://www.sec.gov>.” In addition, because our stock is listed for trading on the NASDAQ Global Market, you can read and copy reports and other information concerning us at the offices of the NASDAQ Stock Market located at One Liberty Plaza, 165 Broadway, New York, New York 10006.

We filed a registration statement on Form S-3 under the Securities Act with the SEC with respect to the securities being offered pursuant to this prospectus. This prospectus is only part of the registration statement and omits certain information contained in the registration statement, as permitted by the SEC. You should refer to the registration statement, including the exhibits, for further information about us and the securities being offered pursuant to this prospectus. Statements in this prospectus regarding the provisions of certain documents filed with, or incorporated by reference in, the registration statement are not necessarily complete and each statement is qualified in all respects by that reference. You may:

inspect a copy of the registration statement, including the exhibits and schedules, without charge at the SEC’s Public Reference Room;

obtain a copy from the SEC upon payment of the fees prescribed by the SEC; or

obtain a copy from the SEC website.

Our mailing address is 121 East Fifth Street, Storm Lake, Iowa 50588 and our Internet address is www.metafinancialgroup.com. Our telephone number is (712) 732-4117. General information, financial news

releases and filings with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to such reports are available free of charge on the SEC's website at www.sec.gov. We are not including the information contained on our website as part of, or incorporating it by reference into, this prospectus.

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FORWARD-LOOKING STATEMENTS

This prospectus and the documents that are incorporated by reference, contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. You can identify forward-looking statements by words such as “may,” “hope,” “will,” “should,” “expect,” “plan,” “anticipate,” “intend,” “estimate,” “predict,” “potential,” “continue,” “could,” “future” or the negative of those terms or other words of similar meaning. You should read statements that contain these words carefully because they discuss our future expectations or state other “forward-looking” information. 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 MetaBank™ (the “Bank”) or Meta Payment Systems® (“MPS”), a division of the Bank; credit quality and adequacy of reserves; technology; and the Company’s 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 Board of Governors of the Federal Reserve System (the “Federal Reserve”), 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 supervisory directives and/or the Consent Orders entered into by the Company and the Bank with the Office of Thrift Supervision and any other such actions which may be initiated; the impact of changes in financial services’ laws and regulations, including but not limited to our relationship with our regulators, the Office of the Comptroller of the Currency (“OCC”) and the Federal Reserve; 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.

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META FINANCIAL

Meta Financial, a registered unitary savings and loan holding company regulated by the Federal Reserve, is a Delaware corporation, the principal assets of which are all the issued and outstanding shares of the Bank, a federal savings bank regulated by the OCC. Unless the context otherwise requires, references herein to Meta Financial include Meta Financial and the Bank, and all subsidiaries on a consolidated basis.

The Bank is a community-oriented financial institution offering a variety of financial services to meet the needs of the communities it serves and a payments company that provides services nationwide. The principal business of the Bank has historically consisted of attracting retail deposits from the general public and investing those funds primarily in one- to four-family residential mortgage loans, commercial and multi-family real estate, agricultural operations and real estate, construction, and consumer and commercial business loans primarily in the Bank's market areas. The Bank also purchases loan participations, mortgage-backed securities and other investments permissible under applicable regulations.

The Bank has four market areas and the Meta Payment Systems®, or MPS, division: Northwest Iowa ("NWI"), Brookings, Central Iowa ("CI"), and Sioux Empire ("SE"). The Bank's headquarters is located at 121 East Fifth Street in Storm Lake, Iowa. NWI operates two offices in Storm Lake, Iowa. Brookings operates one office in Brookings, South Dakota. CI operates a total of six offices in Iowa: Des Moines (3), West Des Moines (2) and Urbandale. SE operates three offices and one administrative office in Sioux Falls, South Dakota. MPS, which offers prepaid cards and other payment industry products and services nationwide, operates out of Sioux Falls, South Dakota and has an administrative office in Omaha, Nebraska. The Company also has a total of twelve full-service branch offices, and one non-retail service branch in Memphis, Tennessee.

In 2004, the Bank created the MPS division, which issues various prepaid cards and consumer credit products, sponsors ATMs in various debit networks and offers other payment industry products and services. MPS generates fee income and low- and no-cost deposits for the Bank through its activities.

The Company's revenues are derived primarily from interest on commercial and residential mortgage loans, mortgage-backed securities, fees generated through the activities of MPS, other investments, consumer loans, agricultural operating loans, commercial business loans, income from service charges, loan origination fees, and loan servicing fee income.

RISK FACTORS

Before you decide to invest in the Company's common stock, you should consider the risk factors discussed in the Company's filings with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, which are incorporated by reference into this prospectus, including those discussed in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2011 and the Quarterly Reports on Form 10-Q for the quarters ended December 31, 2011 and March 31, 2012. See "Information Incorporated By Reference."

In addition to the risk factors incorporated by reference into this prospectus, before you decide to invest in the Company's common stock, you should also consider the following risks related to the Company's common stock.

The common stock is equity and is subordinate to the Company's existing and future indebtedness and any future issuances of preferred stock and effectively subordinated to all the indebtedness and other non-common equity claims against the Company's subsidiaries.

Shares of the Company's common stock are equity interests in Meta Financial and do not constitute indebtedness. As such, shares of the common stock will rank junior to all of the Company's indebtedness and to other non-equity claims against the Company and its assets available to satisfy claims against the Company, including in the Company's liquidation. The Company's board of directors is authorized to issue additional classes or series of preferred stock without any action on the part of the holders of the Company's common stock, and the Company is permitted to incur additional debt. Upon liquidation, lenders and holders of the Company's debt securities and preferred stock would receive distributions of the Company's available assets prior to holders of the Company's common stock. Furthermore, the Company's right to participate in a distribution of assets upon any of the Company's subsidiaries' liquidation or reorganization is subject to the prior claims of that subsidiary's creditors, including holders of any preferred stock.

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The Company's certificate of incorporation, as amended, the Company's amended and restated bylaws and certain banking laws may have an anti-takeover effect.

Provisions of the Company's certificate of incorporation, as amended, and amended and restated bylaws and federal banking laws, including regulatory approval requirements, could make it more difficult for a third party to acquire the Company, even if doing so would be perceived to be beneficial to the Company's stockholders. The combination of these provisions may prohibit a non-negotiated merger or other business combination, which, in turn, could adversely affect the market price of the Company's common stock.

An investment in the Company's common stock is not an insured deposit.

The Company's common stock is not a bank deposit and, therefore, is not insured against loss by the FDIC, any other deposit insurance fund, or by any other public or private entity. An investment in the Company's common stock is inherently risky for the reasons described in this "Risk Factors" section and elsewhere in this prospectus and is subject to the same market forces that affect the price of common stock in any company. As a result, if you acquire the Company's common stock, you may lose some or all of your investment.

Federal law generally provides that no person or entity, acting directly or indirectly or through or in concert with one or more other persons or entities, may acquire "control" of a savings and loan holding company, such as the Company, without the prior approval of the Federal Reserve.

In addition to the Limit (defined herein under "Description of Common Stock - Certain Restrictions on Acquisitions of Stock and Related Takeover Defensive Provisions") which imposes a limitation on a record owner's ability to vote shares in excess of 10% of the then-outstanding shares of the Company's common stock, applicable laws and Federal Reserve regulations affect the ability for an investor to make investments in savings and loan holding companies or federal savings banks (collectively, "savings institutions"). The regulations generally require prior Federal Reserve approval for an acquisition of control of an insured institution (as defined in the Change in Bank Control Act (the "CBCA")) or holding company thereof by any person (or persons acting in concert). Control is deemed to exist if, among other things, a person (or persons acting in concert) acquires more than 25% of any class of voting stock of an insured institution or holding company thereof. Under the CBCA, control is presumed to exist subject to rebuttal if a person (or persons acting in concert) acquires more than 10% of any class of voting stock and either (1) the corporation has registered securities under Section 12 of the Exchange Act, or (2) no person will own, control or hold the power to vote a greater percentage of that class of voting securities immediately after the transaction. The concept of acting in concert is very broad and also is subject to certain rebuttable presumptions, including among others, that relatives, business partners, management officials, affiliates and others may be presumed to be acting in concert with each other and their businesses.

USE OF PROCEEDS

We will not receive any proceeds from the sale of the common stock offered for sale in this prospectus by the selling stockholders. The selling stockholders will receive all of the net proceeds from these sales.

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SELLING STOCKHOLDERS

On May 9, 2012, the Company entered into a Securities Purchase Agreement with ACP MFG Holdings, LLC (“ACP”), which is an entity affiliated with Altamont Capital Partners, a Securities Purchase Agreement with Boathouse Row I, LP, Boathouse Row II, LP and Boathouse Row Offshore, Ltd. (collectively “Boathouse”), which are entities affiliated with Philadelphia Financial Management of San Francisco, LLC, and a Securities Purchase Agreement with Long Meadow Holdings, L.P. (“LMH”), in connection with separate private placements of common stock (collectively, the “Purchase Agreements”). All of the shares of common stock offered by the selling stockholders in this prospectus were originally issued by the Company to the selling stockholders under the Purchase Agreements. Pursuant to the Purchase Agreements, the selling stockholders have agreed that so long as they hold shares of the common stock offered herein, they will not, and will not permit any of their affiliates to, knowingly enter into any transaction that would result in either of the selling stockholders or their affiliates to be determined by the Federal Reserve to (1) have the power to exercise a controlling influence over the management or policies of the Company or any subsidiary, (2) be in “control” (as such term is used in 12 CFR Part 238) of the Company or any subsidiary, or otherwise be required to register as a savings and loan holding company, as such term is defined in 12 C.F.R. § 238.2(m), (3) be an “affiliate” (as defined under 12 C.F.R. § 238.2(a)) of any subsidiary, such that any transactions between either of the selling stockholders and such subsidiary would be subject to compliance with §§ 23A and 23B of the Federal Reserve Act or Regulation W, 12 C.F.R. Part 223, or (4) be an “insider” (as defined in 12 C.F.R. § 215.2) of the Company or any subsidiary such that any transactions between either of the selling stockholders and their affiliates, on the one hand, and the Company and such subsidiary, on the other, would be subject to compliance with Regulation O of 12 C.F.R. § 215. Under the Purchase Agreements, if the Company offers a redemption or repurchase of common stock to any holder of common stock on a non-pro-rata basis that would cause ACP’s, Boathouse’s or LMH’s ownership of common stock to exceed 9.999% of the total outstanding shares of common stock of the Company, then on or prior to the date of such redemption or repurchase, the Company will purchase that portion of the shares of common stock of the Company held by ACP, Boathouse or LMH in excess of 9.999% of the total outstanding shares of the common stock of the Company.

Pursuant to the Purchase Agreements, each of ACP, Boathouse and LMH has agreed that during the two-year period commencing on May 9, 2012, it will not, and will not permit any of its affiliates to, (1) acquire (or beneficially own) any securities in the Company, its subsidiaries or controlled affiliates if ACP, Boathouse or LMH, as applicable, would then beneficially own more than 9.99% of the Company’s common stock then outstanding, (2) engage in a tender offer or other business combination with the Company, its subsidiaries or controlled affiliates or any division or line of business thereof, (3) engage in any extraordinary transaction with respect to the Company, its subsidiaries or controlled affiliates or any division thereof, (4) engage in any “solicitation” of “proxies” (as such terms are used in the proxy rules of the SEC) or consents to vote any voting securities of the Company, (5) form or join a “group” (within the meaning of Section 13(d)(3) of the Exchange Act) with respect to the securities of the Company, its subsidiaries or controlled affiliates, (6) act alone or in concert to seek to control the management, the board of directors or the policies of the Company, its subsidiaries or controlled affiliates, except, with respect to ACP, as set forth in the Investor Rights Agreement (as defined in the Securities Purchase Agreement entered into between the Company and ACP (the “ACP Purchase Agreement”)), (7) take any action that would reasonably be expected to force the Company to make a public announcement regarding the matters set forth in subsections (1) through (4) above, and (8) enter into any discussions or arrangements with any third party with respect to any of the foregoing.

Under the terms of the registration rights agreements entered into pursuant to the Purchase Agreements, the Company agreed to register for resale by the selling stockholders the shares of common stock that the Company issued pursuant to the Purchase Agreements. The Investor Rights Agreement (1) provides ACP with the right to periodically meet with certain members of the Company’s management to discuss the operations, business and affairs of the Company and its subsidiaries and to receive certain monthly financial statements, in each case so long as ACP or its affiliates continue to collectively hold at least 75% of the shares of the Company’s common stock purchased by ACP pursuant to

the ACP Purchase Agreement and (2) contains provisions relating to the Company providing ACP with customary assistance as ACP may reasonably request under certain circumstances in connection with a potential sale to a purchaser of at least 50% of the shares of the Company's common stock purchased by ACP pursuant to such ACP Purchase Agreement.

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The table below sets forth information with respect to the selling stockholders and the shares of the Company's common stock beneficially owned by the selling stockholder as of June 12, 2012 that may from time to time be offered or sold pursuant to this prospectus. The percentage of shares owned before the offering are based on the 3,846,617 shares of our common stock outstanding as of June 8, 2012. The information regarding shares beneficially owned after the offering assumes the sale of all shares offered by the selling stockholders and that the selling stockholders do not acquire any additional shares. Information in the table below with respect to beneficial ownership has been furnished by each of the selling stockholders.

Information concerning the selling stockholders may change from time to time and any changed information will be set forth in supplements to this prospectus, if and when necessary. The selling stockholders may offer all, some or none of their shares of common stock. We cannot advise you as to whether the selling stockholders will in fact sell any or all of such shares of common stock. In addition, the selling stockholders listed in the table below may have sold, transferred or otherwise disposed of, or may sell, transfer or otherwise dispose of, at any time and from time to time, shares of our common stock in transactions exempt from the registration requirements of the Securities Act after the date on which they provided the information set forth on the table below.

Name of Selling Stockholder	Shares Beneficially Owned Before the Offering		Number of Shares Being Offered	Shares Beneficially Owned After the Offering	
	Number	Percent		Number	Percent
ACP MFG Holdings, LLC	370,000	9.6 %	370,000	—	— %
Boathouse Row I, LP	108,705	2.8 %	39,708	68,997	1.8 %
Boathouse Row II, LP	33,409	0.9 %	12,626	20,783	0.5 %
Boathouse Row Offshore, Ltd.	229,109	6.0 %	85,666	143,443	3.7 %
Long Meadow Holdings, L.P.	228,983	6.0 %	132,000	96,983	2.5 %

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- (1) ACP Investment Fund, L.P. ("ACP Investment Fund") is the sole member of ACP MFG Holdings, LLC. ACP Investment Fund GP, L.P. ("ACP GP") is the general partner of ACP Investment Fund. ACP Investment Fund Management, LLC ("ACP Management") is the general partner of ACP GP. The investment and voting decisions of ACP Management are made by its members, and no member holds sole control of such investment or voting decisions. The members of ACP Management are Jesse Rogers, Randall Eason, Casey Lynch and Keoni Schwartz.
 - (2) Boathouse Row I, LP, Boathouse Row II, LP and Boathouse Row Offshore, Ltd. are private investment funds of which Philadelphia Financial Management of San Francisco, LLC ("PFM") is the general partner and/or investment manager. Jordan Hymowitz, Justin Hughes and Rachael Clarke of PFM make investment and voting decisions as to the securities held by these investment funds.
 - (3) Long Meadow Investors, LLC ("LMI") is the general partner of Long Meadow Holdings, L.P. ("LMH"). Each of Jonathan W. Old, III and Michael J. Moss is a managing member of LMI and shares investment and voting decisions as to the securities held by LMH.

PLAN OF DISTRIBUTION

The selling stockholders may offer and sell their shares of the Company's common stock from time to time in one or more of the following manners:

on the NASDAQ Stock Market or any exchange or market on which shares of the Company's common stock are listed or quoted;

in the over-the-counter market;

in privately negotiated transactions;

for settlement of short sales, or through long sales, options or hedging transactions involving cross or block trades;

by pledge to secure debts and other obligations;

in block transactions (which may involve crosses) in which a broker-dealer may sell all or a portion of the shares as agent but may position and resell all or a portion of the block as a principal to facilitate the transaction;

in purchases by one or more underwriters on a firm commitment or best efforts basis;

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in purchases by a broker-dealer as principal and resale by the broker-dealer for its own account pursuant to a prospectus supplement;

in a special offering, an exchange distribution or a secondary distribution in accordance with the applicable rules of the NASDAQ Stock Market or of any stock market on which shares of the Company's common stock may be listed;

through a combination of any of these transactions; or

in any other method permitted pursuant to applicable law.

The selling stockholders may use broker-dealers to sell their shares of the Company's common stock. In connection with such sales the broker-dealers may either receive discounts, concessions or commissions from the selling stockholders, or they may receive commissions from purchasers of shares of the Company's common stock for whom they acted as agents. In order to comply with the securities laws of certain states, the selling stockholders may sell their shares of the Company's common stock only through registered or licensed broker-dealers.

The selling stockholders and any agents or broker-dealers that the selling stockholders use to sell their shares of the Company's common stock may be deemed to be "underwriters" within the meaning of Section 2(11) of the Securities Act, and any discount, concession or commission received by them or any profit on the resale of shares as principal may be deemed to be an underwriting discount or commission under the Securities Act. Because the selling stockholders may be deemed to be underwriters, the selling stockholders may be subject to the prospectus delivery requirements of the Securities Act.

The selling stockholders and any other person participating in the distribution of their shares of the Company's common stock described in this prospectus and/or any applicable prospectus supplement will be subject to applicable provisions of the Exchange Act, and the rules and regulations thereunder, including, without limitation, the anti-manipulation provisions of Regulation M of the Exchange Act, which may limit the timing of purchases and sales of any of such shares by the selling stockholders or any other person. Furthermore, Regulation M may restrict the ability of any person engaged in the distribution of the shares offered by the selling stockholder pursuant to this prospectus and/or any applicable prospectus supplement to engage in market-making activities with respect to the particular shares being distributed. All of the foregoing may affect the marketability of the shares offered by the selling stockholders pursuant to this prospectus and/or any applicable prospectus supplement and the ability of any person or entity to engage in market-making activities with respect to such shares.

Under the registration rights agreements entered into with each of the selling stockholders, we are required to pay certain fees and expenses incurred by us incident to the registration of the shares. In addition, the Company has agreed to indemnify the selling stockholders, to the extent permitted by law, against all losses, claims, damages, liabilities and expense caused by (1) any untrue statement or alleged untrue statement of a material fact contained in this prospectus, including any related preliminary prospectus or final prospectus or any amendments or supplements thereto, (2) the omission or alleged omission to state herein a material fact required to be stated herein, or necessary to make the statements herein not misleading, or (3) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, state securities laws or any rule or regulation promulgated under the Securities Act, the Exchange Act or any other federal or state securities law in connection with the registration of the common stock; provided, that the indemnity shall not apply to any selling stockholder with respect to amounts paid in settlement of any such loss, claim, damage, liability or expense if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be