

Meta Financial Group: Transforming a Savings Bank's Business

Case Study

A team of Katten attorneys helped a publicly traded savings and loan holding company client acquire a privately held bank holding company and insured depository institution, substantially broadening and increasing the size of the client's financial services business.

Meta Financial Group, a longtime client of the firm, came to Katten with a plan to acquire Crestmark Bancorp, a privately held commercial lender offering asset-based loans, equipment finance leases and government guaranteed loans to small and midsize businesses located throughout the United States. There were challenges raised by a variety of aspects of the deal, including the regulatory framework governing the transaction related to the types of entities involved (holding companies and insured depository institutions), the desire for the acquisition to be an all-stock transaction and the need for regulatory and stockholder approvals.

Because Katten had represented Meta in many prior acquisitions and had a deep understanding of the regulatory framework under which they operated, as well as a thorough knowledge of their operations and structure, the team was able to mobilize quickly to navigate the legal issues surrounding the transaction. The team assembled was made up of attorneys from the Chicago, New York and Washington, DC offices with deep experience in corporate, securities, bank regulatory, tax and employee benefits law to navigate the myriad regulatory and other legal issues the acquisition presented.

The transaction was structured as a merger with Meta stock issued to Crestmark's shareholders. After the transaction, Crestmark operates as a division of the larger organization. A crucial part of the transaction was the continued leadership of key executives in the acquired entity, which required negotiation of employment arrangements. Crucially, the regulatory framework under which Meta operated required complex analysis and planning.

The transaction was led on the M&A front by Corporate partner Mara Glaser McCahan, on the Securities front by Corporate partners Lawrence Levin and Mark Reyes, and on the bank regulatory front by Corporate partner Christina Grigorian.

The merger was a transformational transaction for Meta, increasing its size and market reach, expanding its business and customer base, and positioning it for significant cross-selling opportunities. Shortly after the closing of the acquisition, Meta was named one of Fortune's "100 Fastest Growing Companies" for the second year in a row, jumping 40 spots to the rank of 24. Meta is one of only 14 banking and financial services companies on the list, and the only one in the top 25.

