CLASS ACTION COMPLAINT

Plaintiff Gabby Klein ("Plaintiff"), individually and on behalf of all other persons similarly situated, by his undersigned attorneys, for his complaint against defendants, alleges the following based upon personal knowledge as to himself and his own acts, and information and belief as to all other matters, based upon, inter alia, the investigation conducted by and through his attorneys, which included, among other things, a review of the defendants' public documents, conference calls and announcements made by defendants, United States Securities and Exchange Commission ("SEC") filings, wire and press releases published by and regarding Meadowbrook Insurance Group, Inc. ("Meadowbrook" or the "Company"), analysts' reports and advisories about the Company, and information readily obtainable on the Internet. Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.
NATURE OF THE ACTION

1. This is a federal securities class action on behalf of a class consisting of all persons other than defendants who purchased Meadowbrook securities between July 30, 2012 and August 8, 2013, inclusive (the “Class Period”), seeking to recover damages caused by defendants’ violations of the federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 against the Company and certain of its top officials.

2. Meadowbrook was founded in 1955 as Meadowbrook Insurance Agency and was subsequently incorporated in Michigan in 1965. Meadowbrook is a holding company organized as a Michigan corporation in 1985. The Company’s executive offices are located at 26255 American Drive, Southfield, Michigan 48034. The Company purports to be a specialty niche focused commercial insurance underwriter and insurance administration services company. Meadowbrook markets and underwrites specialty property and casualty insurance programs and products on both an admitted and non-admitted basis through a broad and diverse network of independent retail agents, wholesalers, program administrators and general agents, who value service, specialized knowledge, and focused expertise.

3. Financial ratings are an important factor influencing the competitive position of Meadowbrook. As with all insurance companies, the Company is subject to financial strength ratings produced by external rating agencies. Higher ratings generally indicate greater financial stability and a stronger ability to pay claims. Ratings are assigned by rating agencies to insurers based upon factors they believe are important to policyholders. An insurer’s ability to “write” business is most influenced by the rating from A.M. Best. A.M. Best ratings are designed to assess an insurer’s financial strength and ability to meet continuing obligations to policyholders.
4. On October 19, 2012, A.M. Best Company ("A.M. Best") announced that it had put the financial strength rating and issuer credit rating of Meadowbrook’s Insurance Company Subsidiaries, and its issuer credit rating under review with negative implications. The Company thereupon commenced a detailed review of potential capital enhancement strategies that could be taken to improve our capital position and maintain the current A.M. Best rating.

5. On this news the Company’s shares fell $1.61 per share or over 20% to close on October 19, 2012 at $6.18 per share.

6. Then on August 2, 2013, A.M. Best Company downgraded the Company's financial strength rating from "A-" (Excellent) to "B++" (Good) with a "stable" outlook. Following such downgrade, the Company promptly undertook an analysis to quantify asset impairment charges arising from such downgrade.

7. On this news Meadowbrook securities declined $0.80 per share or over 10%, to close at $6.74 per share on August 9, 2013, on high volume of over 3.4 million shares or nearly nine times the average daily volume.

8. On August 9, 2013, Meadowbrook announced that it is unable, without unreasonable effort or expense, to file its Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 within the prescribed time period.

9. On this news, Meadowbrook securities declined a further $0.19 per share or over 2%, to close at $6.60 per share on August 12, 2013.

10. Finally on August 14, 2013, the Company announced that it would take a non-cash impairment of goodwill of $115.4 million in the three months ended June 30, 2013. The impairment wiped out nearly all of the Company’s goodwill on its balance sheet, and caused the
Company stated in relevant part:

The financial covenants applicable to the Credit Facilities consist of: (1) minimum consolidated net worth starting at eighty percent of December 31, 2011 consolidated shareholders’ equity, with quarterly increases thereafter of fifty percent of net income (2) minimum Risk Based Capital Ratio for Star of 1.50 to 1.00 and all other Insurance Company Subsidiaries of 1.75 to 1.00, (3) maximum permitted consolidated leverage ratio of 0.35 to 1.00, (4) minimum consolidated fixed charge coverage ratio of 1.25 to 1.00, and (5) minimum A.M. Best rating of “B++.” As of June 30, 2013, the Company was not in compliance with the minimum consolidated net worth and the maximum permitted consolidated leverage ratio covenants as a result of the goodwill impairment recorded in the second quarter of 2013, as described in Note 11 - Subsequent Events. Pursuant to the credit agreement, the lenders may take either or both of the following actions related to the non-compliance with the covenants: (i) immediate termination of the loan commitments, and (ii) declaration of the $45.5 million outstanding loans to be due and payable in whole together with accrued interest. As a result of the non-compliance with these covenants, the Company is currently in discussions with the lending group to amend the loan agreements that may include obtaining a waiver and revision of the financial covenants. While the Company remains in discussions with the lending group, the Company has not obtained, and there can be no assurance that the Company will obtain such an amendment.

11. On this news the Company’s shares fell $0.13 per share to $6.43 per share on August 15, 2013, a decline of 1.83%.

12. Throughout the Class Period, Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company’s business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (1) the Company’s financial stability was severely impaired; (2) the Company’s capital position was not strong enough to support its ongoing insurance operations in a sustainable fashion; (3) the Company was in breach of its financial covenants applicable to its credit facilities; (4) the Company lacked adequate internal and financial controls, including controls over outstanding claims, asset impairment charges and maintenance of an appropriate
capital position; and (5) as a result of the foregoing, the Company’s statements were materially false and misleading at all relevant times.

13. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline in the market value of the Company’s securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

14. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder (17 C.F.R. §240.10b-5).

15. This Court has jurisdiction over the subject matter of this action pursuant to §27 of the Exchange Act (15 U.S.C. §78aa) and 28 U.S.C. §1331.

16. Venue is proper in this District pursuant to §27 of the Exchange Act, 15 U.S.C. §78aa and 28 U.S.C. §1391(b) as the Company’s securities are traded in this District.

17. In connection with the acts, conduct and other wrongs alleged in this Complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mail, interstate telephone communications and the facilities of the national securities exchange.

PARTIES

18. Plaintiff, as set forth in the attached Certification, purchased Meadowbrook securities at artificially inflated prices during the Class Period, and was damaged upon the announcement of the alleged corrective disclosure.
19. Defendant Meadowbrook is a Michigan corporation with its headquarters located at 26255 American Drive, Southfield, Michigan 48034. Its common stock is traded on the New York Stock Exchange (“NYSE”) under the ticker symbol “MIG.”

20. Defendant Robert S. Cubbin (“Cubbin”) is, and was at all relevant times, the Company’s President and Chief Executive Officer.

21. Defendant Karen M. Spaun (“Spaun”) is, and at all relevant times was, the Company’s Senior Vice-President and Chief Financial Officer.

22. The defendants referenced above in ¶¶ 18 - 19 are sometimes referred to herein as the “Individual Defendants.”

SUBSTANTIVE ALLEGATIONS

Background

23. Meadowbrook was founded in 1955 as Meadowbrook Insurance Agency and was subsequently incorporated in Michigan in 1965. Meadowbrook is a holding company organized as a Michigan corporation in 1985. The Company purports to be a specialty niche focused commercial insurance underwriter and insurance administration services company. Meadowbrook markets and underwrites specialty property and casualty insurance programs and products on both an admitted and non-admitted basis through a broad and diverse network of independent retail agents, wholesalers, program administrators and general agents.

Materially False and Misleading
Statements Issued During the Class Period

24. On May 10, 2012, the Company filed a quarterly report for the period ended March 31, 2012 on a Form 10-Q with the SEC signed by Defendants Cubin and Spaun. The Company reported net premiums earned of $192.8 million, total revenues of $216.2 million, total
expenses of $206.9 million, resulting in net income of $8.1 million or $0.16 per diluted share. The Company also reported total assets of $2.466 billion including $120.7 in goodwill. In addition, the Form 10-Q contained signed certifications pursuant to the Sarbanes-Oxley Act of 2002 ("SOX") by Defendants Cubin and Spaun stating that the financial information contained in the Form 10-Q was accurate, and disclosed any material changes to the Company's internal control over financial reporting.

25. On November 9, 2012, the Company filed a quarterly report for the period ended September 30, 2012 on a Form 10-Q with the SEC signed by Defendants Cubin and Spaun. The Company reported net earned premiums of $223.4 million, total revenues of $245.5 million, total expenses of $294.2 million resulting in a net loss of $26.6 million or $0.53 per diluted share. The Company further reported total assets of $2.69 billion, including $121 million in goodwill. In addition, the Form 10-Q contained signed certifications pursuant to SOX by Defendants Cubin and Spaun stating that the financial information contained in the Form 10-Q was accurate, and disclosed any material changes to the Company's internal control over financial reporting.

26. On March 8, 2013, the Company filed an annual report for the period ended December 31, 2012 on a Form 10-K with the SEC signed by, among others, Defendants Cubin and Spaun. The Company reported net earned premiums of $854.2 million, total revenues of $996.7 million, and net income of $11.7 million or $0.23 per diluted share. The Company also reported total assets of $2.71 billion including $121 million in goodwill. In addition, the Form 10-K contained signed certifications pursuant to SOX by Defendants Cubin and Spaun stating that the financial information contained in the Form 10-K was accurate, and disclosed any material changes to the Company's internal control over financial reporting.
27. The Form 10-K represented the following in relevant part concerning the Company’s calculation of goodwill:

The Company evaluates existing goodwill for impairment on an annual basis as of October 1st, or more frequently if events or changes in circumstances indicate that the asset might be impaired. Goodwill impairment is performed at the reporting unit level.

Estimating the fair value of reporting units is a subjective process involving the use of estimates and judgments, particularly related to future cash flows, discount rates (including market risk premiums) and market multiples. The fair values of the reporting units were determined using a blend of two commonly used valuation techniques, the market approach and the income approach. The Company gives consideration to two valuation techniques, as either technique can be an indicator of value. For the market approach, valuations of reporting units were based on an analysis of price multiples of net income, net book value and net tangible book value. The peer group price multiples used in the analysis were selected based on management’s judgment. For the income approach, the Company estimated future cash flows using a discounted cash flow model (“DCF model”). A DCF model was selected to be comparable to what would be used by market participants to estimate fair value. The DCF model incorporated expected future growth rates, terminal value amounts, and the applicable weighted-average cost of capital to discount estimated cash flows. The projections used in the estimate of fair value are consistent with the Company’s forecast and long-range plans.

In accordance with accounting guidance, the Company concluded its reporting units to be specialty insurance operations and agency operations. The nature of the business and economic characteristics of all agency operations and all specialty insurance operations are similar based on, but not limited to, the following: (1) management alignment within each reporting unit, (2) the Company’s Insurance Company Subsidiaries operating under a reinsurance pooling arrangement, and (3) the ability of the Company to leverage its expertise and fixed costs within each reporting unit.

28. On May 10, 2013, the Company filed a quarterly report for the period ended March 31, 2013 on a Form 10-Q with the SEC signed by Defendants Cubin and Spaun. The Company reported net earned premiums of $170.5 million, total revenues of $191.6 million, total expenses of $183.2 million and net income of $7 million or $0.14 per diluted share. The Company further reported total assets of $2.29 billion including goodwill of $121 million. In
addition, the Form 10-Q contained signed certifications pursuant to SOX by Defendants Cubin and Spaun stating that the financial information contained in the Form 10-Q was accurate, and disclosed any material changes to the Company’s internal control over financial reporting.

29. The statements referenced in ¶¶ 24 - 28 above were materially false and/or misleading because they misrepresented and failed to disclose the following adverse facts, which were known to defendants or recklessly disregarded by them, including that: (1) the Company’s financial stability was severely impaired; (2) the Company’s capital position was not strong enough to support its ongoing insurance operations in a sustainable fashion; (3) the Company was in breach of its financial covenants applicable to its credit facilities; (4) the Company lacked adequate internal and financial controls, including controls over outstanding claims, asset impairment charges and maintenance of an appropriate capital position; and (5) as a result of the foregoing, the Company’s statements were materially false and misleading at all relevant times.

THE TRUTH EMERGES

30. On October 19, 2012, A.M. Best Company (“A.M. Best”) announced that it had put the financial strength rating and issuer credit rating of Meadowbrook’s Insurance Company Subsidiaries and its issuer credit rating under review with negative implications. The Company thereupon commenced a detailed review of potential capital enhancement strategies that could be taken to improve our capital position and maintain the current A.M. Best rating.

31. On this news the Company’s shares fell $1.61 per share or over 20% to close on October 19, 2012 at $6.18 per share.

32. Then on August 2, 2013, A.M. Best Company downgraded the Company’s financial strength rating from "A-" (Excellent) to "B++" (Good) with a "stable" outlook.
Following such downgrade, the Company promptly undertook an analysis to quantify asset impairment charges arising from such downgrade.

33. On this news Meadowbrook securities declined $0.80 per share or over 10%, to close at $6.74 per share on August 9, 2013, on high volume of over 3.4 million shares or nearly nine times the average daily volume.

34. Later, on August 9, 2013, Meadowbrook Insurance announced that it is unable, without unreasonable effort or expense, to file its Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 within the prescribed time period.

35. On this news, Meadowbrook securities declined a further $0.19 per share or over 2%, to close at $6.60 per share on August 12, 2013.

36. Finally on August 14, 2013, the Company filed its quarterly report with the SEC on Form 10-Q, and announced that it would take a non-cash impairment of goodwill of $115.4 million in the three months ended June 30, 2013. The impairment wiped out nearly all of the Company’s goodwill on its balance sheet, and caused the Company to violate “financial covenants” applicable to the certain credit facilities. The Company stated in relevant part:

The financial covenants applicable to the Credit Facilities consist of: (1) minimum consolidated net worth starting at eighty percent of December 31, 2011 consolidated shareholders’ equity, with quarterly increases thereafter of fifty percent of net income (2) minimum Risk Based Capital Ratio for Star of 1.50 to 1.00 and all other Insurance Company Subsidiaries of 1.75 to 1.00, (3) maximum permitted consolidated leverage ratio of 0.35 to 1.00, (4) minimum consolidated fixed charge coverage ratio of 1.25 to 1.00, and (5) minimum A.M. Best rating of “B++.” As of June 30, 2013, the Company was not in compliance with the minimum consolidated net worth and the maximum permitted consolidated leverage ratio covenants as a result of the goodwill impairment recorded in the second quarter of 2013, as described in Note 11 ~ Subsequent Events. Pursuant to the credit agreement, the lenders may take either or both of the following actions related to the non-compliance with the covenants: (i) immediate termination of the loan commitments, and (ii) declaration of the $45.5 million outstanding loans to be due and payable in whole together with accrued interest. As a result of the non-compliance with these covenants, the Company is currently in discussions
with the lending group to amend the loan agreements that may include obtaining a waiver and revision of the financial covenants. While the Company remains in discussions with the lending group, the Company has not obtained, and there can be no assurance that the Company will obtain such an amendment.

37. On this news the Company’s shares fell $0.13 per share to $6.43 per share on August 15, 2013, a decline of 1.83%.

38. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline in the market value of the Company’s securities, Plaintiff and other Class members have suffered significant losses and damages.

PLAINTIFF’S CLASS ACTION ALLEGATIONS

39. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or otherwise acquired Meadowbrook securities during the Class Period (the “Class”), and were damaged by the alleged corrective disclosures. Excluded from the Class are defendants herein, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

40. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Meadowbrook securities were actively traded on the NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Meadowbrook or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.
41. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by defendants' wrongful conduct in violation of federal law that is complained of herein.

42. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

43. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- whether the federal securities laws were violated by defendants' acts as alleged herein;
- whether statements made by defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of Meadowbrook;
- whether the Individual Defendants caused Meadowbrook to issue false and misleading financial statements during the Class Period;
- whether defendants acted knowingly or recklessly in issuing false and misleading financial statements;
- whether the prices of Meadowbrook securities during the Class Period were artificially inflated because of the defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

44. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually
redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

45. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- the omissions and misrepresentations were material;
- Meadowbrook securities are traded in efficient markets;
- the Company’s shares were liquid and traded with moderate to heavy volume during the Class Period;
- the Company traded on the NYSE, and was covered by multiple analysts;
- the misrepresentations and omissions alleged would tend to induce a reasonable investor to misjudge the value of the Company’s securities; and
- Plaintiff and members of the Class purchased and/or sold Meadowbrook securities between the time the defendants failed to disclose or misrepresented material facts and the time the true facts were disclosed, without knowledge of the omitted or misrepresented facts.

46. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

COUNT I

(Against All Defendants For Violations of Section 10(b) And Rule 10b-5 Promulgated Thereunder)

47. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

48. This Count is asserted against defendants and is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.
49. During the Class Period, defendants engaged in a plan, scheme, conspiracy and course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices and courses of business which operated as a fraud and deceit upon Plaintiff and the other members of the Class; made various untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and employed devices, schemes and artifices to defraud in connection with the purchase and sale of securities. Such scheme was intended to, and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of Meadowbrook securities; and (iii) cause Plaintiff and other members of the Class to purchase Meadowbrook securities and options at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, defendants, and each of them, took the actions set forth herein.

50. Pursuant to the above plan, scheme, conspiracy and course of conduct, each of the defendants participated directly or indirectly in the preparation and/or issuance of the quarterly and annual reports, SEC filings, press releases and other statements and documents described above, including statements made to securities analysts and the media that were designed to influence the market for Meadowbrook securities. Such reports, filings, releases and statements were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about Meadowbrook’s finances and business prospects.

51. By virtue of their positions at Meadowbrook, defendants had actual knowledge of the materially false and misleading statements and material omissions alleged herein and intended thereby to deceive Plaintiff and the other members of the Class, or, in the alternative,
defendants acted with reckless disregard for the truth in that they failed or refused to ascertain and disclose such facts as would reveal the materially false and misleading nature of the statements made, although such facts were readily available to defendants. Said acts and omissions of defendants were committed willfully or with reckless disregard for the truth. In addition, each defendant knew or recklessly disregarded that material facts were being misrepresented or omitted as described above.

52. Information showing that defendants acted knowingly or with reckless disregard for the truth is peculiarly within defendants’ knowledge and control. As the senior managers and/or directors of Meadowbrook, the Individual Defendants had knowledge of the details of Meadowbrook internal affairs.

53. The Individual Defendants are liable both directly and indirectly for the wrongs complained of herein. Because of their positions of control and authority, the Individual Defendants were able to and did, directly or indirectly, control the content of the statements of Meadowbrook. As officers and/or directors of a publicly-held company, the Individual Defendants had a duty to disseminate timely, accurate, and truthful information with respect to Meadowbrook’s businesses, operations, future financial condition and future prospects. As a result of the dissemination of the aforementioned false and misleading reports, releases and public statements, the market price of Meadowbrook securities was artificially inflated throughout the Class Period. In ignorance of the adverse facts concerning Meadowbrook’s business and financial condition which were concealed by defendants, Plaintiff and the other members of the Class purchased Meadowbrook securities at artificially inflated prices and relied upon the price of the securities, the integrity of the market for the securities and/or upon statements disseminated by defendants, and were damaged thereby.
54. During the Class Period, Meadowbrook securities were traded on an active and efficient market. Plaintiff and the other members of the Class, relying on the materially false and misleading statements described herein, which the defendants made, issued or caused to be disseminated, or relying upon the integrity of the market, purchased shares of Meadowbrook securities at prices artificially inflated by defendants' wrongful conduct. Had Plaintiff and the other members of the Class known the truth, they would not have purchased said securities, or would not have purchased them at the inflated prices that were paid. At the time of the purchases by Plaintiff and the Class, the true value of Meadowbrook securities was substantially lower than the prices paid by Plaintiff and the other members of the Class. The market price of Meadowbrook securities declined sharply upon public disclosure of the facts alleged herein to the injury of Plaintiff and Class members.

55. By reason of the conduct alleged herein, defendants knowingly or recklessly, directly or indirectly, have violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

56. As a direct and proximate result of defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period, upon the disclosure that the Company had been disseminating misrepresented financial statements to the investing public.

COUNT II

(Violations of Section 20(a) of the Exchange Act Against The Individual Defendants)

57. Plaintiff repeats and realleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.
58. During the Class Period, the Individual Defendants participated in the operation and management of Meadowbrook, and conducted and participated, directly and indirectly, in the conduct of Meadowbrook's business affairs. Because of their senior positions, they knew the adverse non-public information about Meadowbrook's misstatement of income and expenses and false financial statements.

59. As officers and/or directors of a publicly owned company, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to Meadowbrook's financial condition and results of operations, and to correct promptly any public statements issued by Meadowbrook which had become materially false or misleading.

60. Because of their positions of control and authority as senior officers, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which Meadowbrook disseminated in the marketplace during the Class Period concerning Meadowbrook's results of operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause Meadowbrook to engage in the wrongful acts complained of herein. The Individual Defendants therefore, were "controlling persons" of Meadowbrook within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of Meadowbrook securities.

61. Each of the Individual Defendants, therefore, acted as a controlling person of Meadowbrook. By reason of their senior management positions and/or being directors of Meadowbrook, each of the Individual Defendants had the power to direct the actions of, and exercised the same to cause, Meadowbrook to engage in the unlawful acts and conduct complained of herein. Each of the Individual Defendants exercised control over the general
operations of Meadowbrook and possessed the power to control the specific activities which comprise the primary violations about which Plaintiff and the other members of the Class complain.

62. By reason of the above conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by Meadowbrook.

**PRAYER FOR RELIEF**

**WHEREFORE,** Plaintiff demands judgment against defendants as follows:

A. Determining that the instant action may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the Class representative;

B. Requiring defendants to pay damages sustained by Plaintiff and the Class by reason of the acts and transactions alleged herein;

C. Awarding Plaintiff and the other members of the Class prejudgment and post-judgment interest, as well as their reasonable attorneys’ fees, expert fees and other costs; and

D. Awarding such other and further relief as this Court may deem just and proper.

**DEMAND FOR TRIAL BY JURY**

Plaintiff hereby demands a trial by jury.

Dated: August 15, 2013

POMERANTZ GROSSMAN HUFFORD DAHSTEM R & GROSS LLP

Jeremy A. Lieberman
Lesley F. Portnoy
600 Third Avenue, 20th Floor
New York, New York 10016
Telephone: (212) 661-1100
Facsimile: (212) 661-8665
jalieberman@pomlaw.com
lfportnoy@pomlaw.com
POMERANTZ GROSSMAN HUFFORD DAHLSTROM & GROSS LLP
Patrick V. Dahlstrom
Ten South LaSalle Street, Suite 3505
Chicago, Illinois 60603
Telephone: (312) 377-1181
Facsimile: (312) 377-1184
pdahlstrom@pomlaw.com

Attorneys for Plaintiff
CERTIFICATION PURSUANT
TO FEDERAL SECURITIES LAWS

1. I, __________, make this declaration pursuant to Section 27(a)(2) of the Securities Act of 1933 ("Securities Act") and/or Section 21D(a)(2) of the Securities Exchange Act of 1934 ("Exchange Act") as amended by the Private Securities Litigation Reform Act of 1995.

2. I have reviewed a Complaint against Meadowbrook Insurance Group, Inc. ("Meadowbrook Insurance" or the "Company"), and authorize the filing of a comparable complaint on my behalf.

3. I did not purchase or acquire Meadowbrook Insurance securities at the direction of plaintiffs counsel or in order to participate in any private action arising under the Securities Act or Exchange Act.

4. I am willing to serve as a representative party on behalf of a Class of investors who purchased or acquired Meadowbrook Insurance securities during the class period, including providing testimony at deposition and trial, if necessary. I understand that the Court has the authority to select the most adequate lead plaintiff in this action.

5. To the best of my current knowledge, the attached sheet lists all of my transactions in Meadowbrook Insurance securities during the Class Period as specified in the Complaint.

6. During the three-year period preceding the date on which this Certification is signed, I have not sought to serve as a representative party on behalf of a class under the federal securities laws.

7. I agree not to accept any payment for serving as a representative party on behalf of the class as set forth in the Complaint, beyond my pro rata share of any recovery, except such reasonable costs and expenses directly relating to the representation of the class as ordered or approved by the Court.
8. I declare under penalty of perjury that the foregoing is true and correct.

Executed 8/14/2013

(Signature)

Gabby Klein

(Type or Print Name)
### SUMMARY OF PURCHASES AND SALES

<table>
<thead>
<tr>
<th>DATE</th>
<th>PURCHASE OR SALE</th>
<th>NUMBER OF SHARES</th>
<th>PRICE PER SHARE</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/26/2013</td>
<td>Purchase</td>
<td>1,000</td>
<td>7.87</td>
</tr>
</tbody>
</table>