

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**SCHEDULE TO**

(Rule 14D-100)

**TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1) OF THE SECURITIES EXCHANGE ACT OF 1934  
(AMENDMENT NO. 5)**

**DONEGAL GROUP INC.**

(Name of Subject Company (Issuer))

**GREGORY MARK SHEPARD**

(Name of Filing Persons (Offeror))

**CLASS B COMMON STOCK, PAR VALUE \$0.01 PER SHARE**

(Title of Class of Securities)

257701300

(CUSIP Number of Class of Securities)

J. Victor Peterson

Lathrop & Gage LLP

155 North Wacker Drive

Chicago, IL 60606-1787

(312) 920-3300

(Name, Address and Telephone Numbers of Person Authorized to Receive Notices and Communications  
on Behalf of Filing Person)

CALCULATION OF FILING FEE

**TRANSACTION VALUATION\***

\$28,879,080

**AMOUNT OF FILING FEE\*\***

\$3,939.11

- \* For purposes of calculating the filing fee pursuant to Rule 0-11(d) only, the transaction valuation was calculated on the basis of the purchase of 962,636 shares of Donegal Group Inc. Class B common stock at the Tender Offer price of \$30.00 per share.
- \*\* The filing fee, calculated in accordance with Rule 0-11 of the Securities Exchange Act of 1934 and Fee Rate Advisory No. 1 for fiscal year 2013 issued by the Securities and Exchange Commission on August 31, 2012, by multiplying the transaction value by 0.0001364.
- x Check the box if any part of the fee is offset as provided by Rule 0-11 (a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: \$3,939.11  
Form or Registration No.: 005-39100

Filing Parties: Gregory Mark Shepard  
Date Filed: March 20, 2013

- Check the box if the filing relates solely to preliminary communications made before the commencement of a Tender Offer.
- Check the appropriate boxes below to designate any transactions to which the statement relates:
- x  third-party Tender Offer subject to Rule 14d-1.
- issuer Tender Offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- x  amendment to Schedule 13 D under Rule 13d-2.
- Check the following box if the filing is a final amendment reporting the results of the Tender Offer:

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This Amendment No. 5 (this "Amendment") is filed by Gregory Mark Shepard, a Florida resident ("Offeror"). This Amendment further amends and supplements the Tender Offer Statement on Schedule TO and the exhibits thereto originally filed by Offeror with the Securities and Exchange Commission (the "SEC") on March 20, 2013, as previously amended and supplemented by Amendment No. 1 thereto filed by Offeror with the SEC on March 27, 2013, Amendment No. 2 thereto filed by Offeror with the SEC on April 9, 2013, Amendment No. 3 thereto filed by Offeror with the SEC on April 11, 2013, and Amendment No. 4 thereto filed by Offeror with the SEC on April 22, 2013 (as previously amended and supplemented, the "Schedule TO"). The Schedule TO relates to the offer by Offeror to purchase, for cash, 962,636 shares of Class B common stock, par value \$0.01 per share ("Class B Shares"), or such lesser number of shares as are properly tendered and not properly withdrawn, of Donegal Group Inc., a Delaware corporation (the "Company"), at a price of \$30.00 per share, net to the seller in cash, without interest thereon and less any required withholding taxes, upon the terms and subject to the conditions set forth in the Offer to Purchase dated March 20, 2013 (the "Offer to Purchase"), a copy of which is attached as Exhibit (a)(1)(A) to the Schedule TO, and in the related Form of Letter of Transmittal (the "Letter of Transmittal"), a copy of which is attached as Exhibit (a)(1)(B) to the Schedule TO.

Capitalized terms used in this Amendment but not otherwise defined have the meanings ascribed to them in the Offer to Purchase.

As permitted by General Instruction G to Schedule TO, this Amendment is also an amendment to the statement on Schedule 13D originally filed on July 12, 2010, as subsequently amended, by Offeror.

All information set forth in the Offer to Purchase is incorporated by reference to Items 1 through 11 in the Schedule TO, except those items as to which information is specifically provided herein.

**Item 12. Exhibits.**

Item 12 of Schedule TO is hereby amended and supplemented to include the following: "(a)(1)(M) Text of press release regarding offer issued by Offeror dated May 8, 2013."

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After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

By:  / S / GREGORY MARK SHEPARD

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## EXHIBIT INDEX

<b><u>EXHIBIT NO.</u></b>	<b><u>DOCUMENT</u></b>
(a)(1)(A)	Offer to Purchase dated March 20, 2013. *
(a)(1)(B)	Form of Letter of Transmittal. *
(a)(1)(C)	Form of Notice of Guaranteed Delivery. *
(a)(1)(D)	Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees. *
(a)(1)(E)	Form of Letter to Clients for Use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees. *
(a)(1)(F)	Summary Advertisement as published in Investor's Business Daily on March 20, 2013. *
(a)(1)(G)	Text of Press Release Regarding Offer Issued by Offeror dated March 20, 2013. *
(a)(1)(H)	Text of Press Release Regarding Offer Issued by Offeror dated March 27, 2013. *
(a)(1)(I)	Text of Press Release Regarding Offer Issued by Offeror dated April 9, 2013. *
(a)(1)(J)	Text of Press Release Regarding Offer Issued by Offeror dated April 11, 2013. *
(a)(1)(K)	Letter from Offeror to Donald H. Nikolaus, President and CEO of the Company, dated April 10, 2013. *
(a)(1)(L)	Text of Press Release Regarding Offer Issued by Offeror dated April 22, 2013. *
(a)(1)(M)	Text of Press Release Regarding Offer Issued by Offeror dated May 8, 2013.
(b)	Not Applicable.
(d)(1)	Not Applicable.
(d)(2)	Not Applicable.
(d)(3)	Not Applicable.
(e)	Not Applicable.
(f)	Not Applicable.

\* Previously filed.

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FOR IMMEDIATE RELEASE

**Shepard Blasts Donegal Group's Directors for Obstructing Tender Offer –  
Urges Class B Shareholders to Tender at \$30 Per Share**

Bloomington, Illinois, May 8, 2013 (NASDAQ: "DGICB") – Mr. Gregory Mark Shepard today blasted the Board of Directors of Donegal Group Inc. ("Donegal") for a constant campaign of obstruction to deprive the Class B shareholders of \$30 per share.

Mr Shepard said, "It is Donegal who is raising issues with the regulators and doing everything in its power to block the tender offer. Donegal's Board of Directors has proven once again that they do not have the best interests of shareholders at heart."

If any shareholder has questions or needs assistance to tender Class B shares, **please call Mr. Shepard at 309-827-2168.**

Mr. Shepard notes that the so called "Special Committee" of the Board has not hired an independent financial adviser or investment bank to assist in its evaluation of Mr. Shepard's Offer. Mr. Shepard stated, "Special Committees who evaluate tender offers typically hire investment bankers to evaluate the fairness of the offer from a financial point of view. The Special Committee has not raised any objections or provided any commentary on my \$30 per share Offer. Instead, the Special Committee relies on the advice of lawyers who have previously served as counsel to Donegal or its affiliates."

Mr. Shepard continued, "The Class B shareholders are truly being shortchanged by an entrenched management, and an entrenched Board, who want to protect their fiefdom as opposed to providing value to the shareholders. Why would the Board or Special Committee stand in the way of the Class B shareholders receiving \$30 per share? Shareholders should demand an answer, in my opinion."

According to Mr. Shepard, "I removed the condition of my 3 nominees serving on the Boards of Donegal and Donegal Mutual and I waived the condition against future grants of Class A options, and yet Don Nikolaus and the Donegal Board do not even mention this in their 14D-9 response. Once again, Don Nikolaus and the Donegal Board will stop at nothing to entrench themselves and protect their fiefdom at the expense of shareholders."

Mr. Shepard further stated, "Once again I am very disappointed in Don Nikolaus and the Donegal Board. They call my offer "illusory" when it is they who are strenuously trying to frustrate my Offer at every turn and regulatory venue. The shareholders want to know how it is that after I offered \$30 per Class B share (not subject to any financing contingency) and a 42% premium, that Don Nikolaus and the Donegal Board continue to advise the Class B shareholders not to tender without saying one word about the adequacy of my Offer consideration? Why doesn't the Special Committee hire a financial advisor to properly advise it?"

Mr. Shepard is still demanding to know the identity of the Donegal Mutual director who, on February 28, 2013, purchased 800 Class B shares at \$20 per share and 388 Class B shares at \$20.17 per share, as identified in Item 6 of Donegal's 14D-9.

On March 20, 2013, Gregory M. Shepard announced a tender offer for 962,636 of the outstanding shares of Class B Common Stock of Donegal at a price of \$30 per Class B share (the "Offer"). The Offer represents approximately a 42% premium to the closing price of Donegal Class B shares on NASDAQ on March 19, 2013 – the last full trading day prior to the commencement of the Offer.

The Offer is not subject to any financing contingency. Other conditions apply to the Offer, including the tender of at least 925,000 Class B shares, insurance and bank regulatory approvals, expiration or early termination of the Hart-Scott-Rodino waiting period, and no litigation involving the Offer.

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**The Offer has been extended and will now expire on May 20, 2013 at 11:59 p.m., New York City time, unless extended.** Tenders of shares of Donegal's Class B Common Stock must be made prior to the expiration of the Offer and may be withdrawn at any time prior to the expiration of the Offer. Only shares properly tendered and not properly withdrawn pursuant to the Offer will be purchased. **The Offer includes withdrawal rights so that a tendering shareholder can freely withdraw any shares prior to acceptance of such shares for payment under the Offer.**

Mr. Shepard is the beneficial owner of 3,602,900 Class A shares and 397,100 Class B shares of Donegal, which he acquired at a total cost of \$58.6 million. Mr. Shepard has been a Class A and a Class B shareholder of Donegal since 2005, and he is now by far Donegal's largest shareholder with the exception of Donegal Mutual.

This press release is neither an offer to purchase nor a solicitation of an offer to sell shares of Donegal. It does not purport to be complete and is qualified in its entirety by reference to the complete text of the Offer to Purchase and the related Letter of Transmittal, which contain important information that should be read carefully before any decision is made with respect to the Offer.

The Offer to Purchase and the related Letter of Transmittal and Notice of Guaranteed Delivery are filed with the SEC and are available through the SEC's website at <http://www.sec.gov/>. Any questions or requests for assistance or for additional copies of the Offer to Purchase, the related Letter of Transmittal and other related tender offer materials may be directed to the Information Agent at its address and telephone numbers set forth below, and copies will be furnished promptly at the Offeror's expense. **The Information Agent for the Offer is: D.F. King & Co., Inc.**, 48 Wall Street, 22nd Floor, New York, NY 10005. Banks and Brokerage Firms please call collect: (212) 269-5550. All others call toll-free: (800) 967-5079. Email: [information@dfking.com](mailto:information@dfking.com)

THE OFFER IS NOT INTENDED TO AND DOES NOT CONSTITUTE (I) A SOLICITATION OF A PROXY, CONSENT OR AUTHORIZATION FOR OR ANY SPECIAL MEETING OF DONEGAL'S STOCKHOLDERS OR (II) A SOLICITATION OF A CONSENT OR AUTHORIZATION IN THE ABSENCE OF ANY SUCH MEETING.

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