

**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. 11)**

**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

Filing Parties:

Gregory Mark Shepard

Form or Registration No.:

005-39100

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:

This Amendment No. 11 (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, Amendment No. 4 thereto filed by Offeror with the SEC on April 22, 2013, Amendment No. 5 thereto filed by Offeror with the SEC on May 8, 2013, and Amendment No. 6 thereto filed by Offeror with the SEC on May 17, 2013, Amendment No. 7 thereto filed by Offeror with the SEC on May 21, 2013, Amendment No. 8 thereto filed by Offeror with the SEC on June 13, 2013, Amendment No. 9 thereto filed by Offeror with the SEC on July 19, 2013, and Amendment No. 10 thereto filed by Offeror with the SEC on July 24, 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 attached as Exhibit (a)(1)(A) to the Schedule TO (the "Offer to Purchase"), and in the related Form of Letter of Transmittal attached as Exhibit (a)(1)(B) to the Schedule TO (the "Letter of Transmittal").

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.

The purpose of this Amendment is to announce that the Offer expired at 11:59 p.m., New York City time, on Wednesday, July 31, 2013, without acceptance of the tendered shares, due to the Minimum Condition and the Insurance Regulatory Approval Condition not being satisfied.

Based on information received from the Depository for the Offer, as of 5:00 p.m., New York City time, on July 31, 2013, approximately 394,215 Class B Shares had been tendered and not withdrawn from the Offer, plus an additional 1,988 shares had been submitted by guaranteed delivery. All shares tendered and not withdrawn will be promptly returned.

The Offer to Purchase is hereby amended by:

**Item 11. Additional Information.**

Item 11 of the Schedule TO is hereby amended and supplemented to include the following: "On August 1, 2013, Purchaser issued the Press Release that is attached hereto as Exhibit (a)(1)(O)."

Item 11 of the Schedule TO is hereby amended and supplemented to include the following: "On August 1, 2013, Purchaser sent to the Boards of Directors of the Company and Donegal Mutual Insurance Company the letter that is attached hereto as Exhibit (a)(1)(P)."

**Item 12. Exhibits.**

Item 12 of the Schedule TO is hereby amended and supplemented to include the following: "(a)(1)(O) Text of Press Release Regarding Offer Issued by Offeror dated August 1, 2013."

Item 12 of the Schedule TO is hereby amended and supplemented to include the following: "(a)(1)(P) Text of Letter sent by Offeror to the Boards of Directors of the Company and Donegal Mutual Insurance Company dated August 1, 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

### **EXHIBIT NO.**    **DOCUMENT**

(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. *
(a)(1)(N)	Text of Press Release Regarding Offer Issued by Offeror dated May 21, 2013. *
(a)(1)(O)	Text of Press Release Regarding Offer Issued by Offeror dated August 1, 2013.
(a)(1)(P)	Text of Letter sent by Offeror to the Boards of Directors of the Company and Donegal Mutual Insurance Company dated August 1, 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****Tender Offer for Donegal Group Class B Shares by Gregory Shepard Expires**

Bradenton, Florida, August 1, 2013 (NASDAQ: "DGICB") – Gregory Mark Shepard announced today that his tender offer for 962,636 shares of Class B Common Stock ("Class B Shares") of Donegal Group Inc. ("Donegal") at a price of \$30 per share (the "Offer") expired at 11:59 p.m., New York City time, on July 31, 2013.

Mr. Shepard stated, "The Offer expired on July 31, 2013, and was not further extended. Class B Shares that have been tendered and not withdrawn will be promptly returned and not accepted for payment, because the 'Minimum Condition' and the 'Insurance Regulatory Approval Condition' of the Offer have not been satisfied. The 'Minimum Condition' required at least 925,000 Class B Shares to have been tendered and not withdrawn. Even if the Minimum Condition were reduced by the 196,000 Class B Shares owned by Donegal insiders, it still would not have been satisfied."

Mr. Shepard added, "The 'Insurance Regulatory Approval Condition' required the approval of my purchase of additional Class B Shares pursuant to the Offer by the insurance departments of the six states where Donegal's insurance subsidiaries are located. Although the Offer was open for over four months, none of these approvals has been received."

Based on information received from the Depositary for the Offer, as of 5:00 p.m., New York City time, on July 31, 2013, approximately 394,215 Class B Shares had been tendered and not withdrawn from the Offer, plus an additional 1,988 shares had been submitted by guaranteed delivery. All shares tendered and not withdrawn will be promptly returned.

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August 1, 2013

VIA EMAIL AND FEDERAL EXPRESS

Board of Directors  
Donegal Group Inc.  
1195 River Road  
Marietta, PA 17547-0302

Board of Directors  
Donegal Mutual Insurance Company  
1195 River Road  
Marietta, PA 17547-0302

Attention: Mr. Donald H. Nikolaus, Chairman, CEO and President

Gentlemen:

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

On April 3, 2013, DGI filed a Solicitation/Recommendation Statement on Schedule 14D-9 recommending that the holders of Class B Shares reject the Offer and not tender their Class B Shares. The DGI Board of Directors and the Special Committee stated that they believed the Offer was illusory because the conditions could not be satisfied by the April 19, 2013 Expiration Date or within a reasonable period of time thereafter. DGI voiced no objection to the adequacy of my \$30 per Class B Share Offer price.

On April 17, 2013, during DGI's 1<sup>st</sup> quarter 2013 earnings conference call, DGI's CEO Don Nikolaus answered a stock analyst question regarding the adequacy of my \$30 per Class B Share Offer price by saying "first of all, as in our 14 D-9 we believe that the tender offer is illusory. There are many conditions over which Mr. Shepard has no control but he has set those as conditions that he would not pay such a price unless they are met. But the concept, set that aside, the concept that the shares of DGI have a value that is potentially twice the current book value, if you look at the historical views of Mr. Shepard are based upon the concept that the mutual company would be part of a transaction and it would give itself away and its 66% ownership without consideration or very little consideration so it is... so it is you know a difficult concept to rationalize." Mr. Nikolaus appears to be focused on Donegal Mutual's combined Class A and Class B voting percentage ownership. Donegal Mutual, however, only owns 46% of the combined Class A and Class B Shares.

On April 22, 2013, I filed an amendment to the Offer dropping the director representation and waiving the restriction on future grants of Class A Share options. I extended the Offer until May 20, 2013, to permit the regulatory agencies to process the required applications. I also announced that as of April 19, 2013, approximately 362,745 Class B Shares had been tendered and not withdrawn, plus an additional 8,872 Class B Shares submitted by guaranteed delivery. I noted that DGI had voiced no objection to the adequacy of my \$30 per Class B Share Offer price.

On May 2, 2013, DGI filed an amended Solicitation/Recommendation Statement on Schedule 14D-9 again recommending that the holders of Class B Shares reject the Offer and not tender their Class B Shares. The DGI Board of Directors and the Special Committee again stated that they believed the Offer was illusory because the conditions (mostly regulatory approvals) could not be satisfied by the May 20, 2013 Expiration Date, or within a reasonable period of time thereafter. DGI again voiced no objection to the adequacy of my \$30 per Class B Share Offer price.

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On May 21, 2013, I filed another amendment to the Offer extending the Offer until July 31, 2013, to permit regulatory agencies additional time to process the required applications. I also announced that as of May 20, 2013, approximately 381,216 Class B Shares had been tendered and not withdrawn, plus an additional 2,324 Class B Shares submitted by guaranteed delivery.

On May 29, 2013, DGI filed an amended Solicitation/Recommendation Statement on Schedule 14D-9 again recommending that the holders of Class B Shares reject the Offer and not tender their Class B Shares. The DGI Board of Directors and the Special Committee again stated that they believed the Offer was illusory because the conditions (mostly regulatory approvals) could not be satisfied by the July 31, 2013 Expiration Date. DGI again voiced no objection to the adequacy of my \$30 per Class B Share Offer price.

As of July 31, 2013, approximately 394,215 Class B Shares had been tendered and not withdrawn, plus an additional 1,988 Class B Shares had been submitted by guaranteed delivery.

Today, I am NOT further extending the Offer for the following reasons: 1) The failure of a sufficient number of shares to be tendered into the Offer to satisfy the Offer's Minimum Condition of 925,000 Class B Shares (and even if the 196,122 Class B Shares owned by the DGI insiders, according to DGI's Proxy Statement filed on March 18, 2013, were subtracted from the Minimum Condition requirement, the number of Class B Shares tendered into the Offer would still be insufficient to meet the Minimum Condition, as so adjusted); and 2) The non-satisfaction of the Insurance Regulatory Approval Condition (i.e., the necessary approvals by the insurance departments of six states). I have kept the Offer open for nearly 4 ½ months and have not received regulatory approvals, in part because Don Nikolaus and his many law firms vigorously opposed and obstructed the Offer with the regulators at every opportunity.

Accordingly, I will not purchase any of the Class B Shares that have been tendered. All shares that have been tendered and not withdrawn will be returned promptly.

Instead, I intend to proceed with my applications with the Federal Reserve Bank of Philadelphia and the various state insurance departments, though not pursuant to the recently expired Offer, to receive regulatory approvals to increase my ownership up to 22.7% of the outstanding combined Class A and Class B voting rights.

Very truly yours,

/s/ Gregory M. Shepard  
Gregory M. Shepard

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