

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20459

SCHEDULE 13D  
Under the Securities Exchange Act of 1934  
(Amendment No. 19)\*

**DONEGAL GROUP INC.**  
(Name of Issuer)

**Class A Common Stock**  
**Class B Common Stock**  
(Title of Class of Securities)

**Class A: 257701201**  
**Class B: 257701300**  
(CUSIP Number of Class of Securities)

Gregory M. Shepard  
7028 Portmarnock Place  
Bradenton, FL 34202  
(309) 310-1331  
(Name, address and telephone number of persons  
authorized to receive notices and communications  
on behalf of person(s) filing statement)

**October 23, 2013**  
(Date of Event which Requires Filing of this Statement)

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If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this Schedule because of Section 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box .

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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Class A CUSIP No. 257701201 and Class B CUSIP No. 257701300

1. NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NOS. OF REPORTING PERSON

**Gregory M. Shepard**

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)   
(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS

**PF**

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

**United States of America**

NUMBER OF SHARES  
BENEFICIALLY  
OWNED BY EACH  
REPORTING PERSON  
WITH

7. SOLE VOTING POWER  
**Class A 3,602,900; Class B 397,100**

8. SHARED VOTING POWER  
**-0-**

9. SOLE DISPOSITIVE POWER  
**Class A 3,602,900; Class B 397,100**

10. SHARED DISPOSITIVE POWER  
**-0-**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

**Class A 3,602,900; Class B 397,100**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

**Class A 17.96%; Class B 7.12%**

14. TYPE OF REPORTING PERSON

**IN**

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## SCHEDULE 13D

### ITEM 1. SECURITY AND ISSUER.

The Schedule 13D filed with the Securities and Exchange Commission on July 12, 2010 (the "Initial 13D") by the Filing Person with respect to the Class A Shares and Class B Shares of Donegal Group Inc., a Delaware corporation (the "Issuer"), is hereby further amended to furnish the additional information set forth herein. All capitalized terms contained herein but not otherwise defined shall have the meanings ascribed to such terms in the Initial 13D.

### ITEM 4. PURPOSE OF TRANSACTION

#### ITEM 4 OF THE INITIAL 13D IS HEREBY AMENDED TO ADD THE FOLLOWING:

On October 7, 2013, the Filing Person delivered to the Boards of Directors of the Issuer and its affiliate Donegal Mutual Insurance Company ("DMIC" or "Donegal Mutual") a letter proposing an amicable transaction. The Filing Person disclosed that letter in Amendment No. 18 to the Initial 13D filed on October 7, 2013.

The Filing Person has received a letter from Joseph A. Tate of Dechert LLP dated October 23, 2013, which states as follows:

"We are special counsel to the Board of Directors of DMIC. In that capacity, we have counseled the Board as they considered the proposal outlined in Mr. Shepard's letter dated October 7, 2013.

After due consideration, the Board unanimously rejected Mr. Shepard's proposal, determining that it is contrary to the interests of Donegal Mutual, its policyholders and its other constituencies. The Board reaffirmed that it is firmly committed to pursuing Donegal Mutual's current business strategy as an independent mutual insurance company and determined that Mr. Shepard's proposal merits no further consideration by Donegal Mutual."

The Filing Person has received a letter dated October 24, 2013 from Donald H. Nikolaus, President of the Issuer, which states as follows:

"At a meeting of the Donegal Group Inc. Board of Directors (the "DGI Board") held on October 17, 2013, the DGI Board considered the proposal contained in your letter dated October 7, 2013 to the DGI Board and the Donegal Mutual Insurance Company Board of Directors. In considering your proposal, the DGI Board relied upon and unanimously accepted the determination of the DGI Board's Special Committee that your proposal was illusory because, among other reasons, you have failed to obtain all of the regulatory approvals necessary for you to purchase any additional shares of DGI common stock. Accordingly, the DGI Board has determined to reject your proposal."

In response to the letters quoted above, the Filing Person has released the Press Release dated October 24, 2013, which is filed as Exhibit 99.1 hereto.

### ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

Exhibit 99.1                      Press Release by Gregory M. Shepard dated October 24, 2013

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**SIGNATURE**

After reasonable inquiry and to the best of his knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

DATED: October 24, 2013

/s/ Gregory M. Shepard  
Gregory M. Shepard

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FOR IMMEDIATE RELEASE

**Gregory Shepard Blasts Don Nikolaus for Once Again Rejecting an Amicable Transaction**

Bradenton, Florida, October 24, 2013 (NASDAQ: "DGICA" and "DGICB") – Gregory Mark Shepard today blasted CEO Don Nikolaus and the Boards of Directors of Donegal Group Inc. ("Donegal Group") and Donegal Mutual Insurance Company ("Donegal Mutual") for rejecting his proposed amicable transaction. He calls on both Boards to exercise their fiduciary duty and not "kow-tow" to Mr. Nikolaus' desire to control Donegal Group and Donegal Mutual as his personal fiefdom. He calls on other shareholders of Donegal Group to let their voices be heard. Mr. Shepard's amicable proposal was filed on October 7, 2013 and is available in Mr. Shepard's 13D/A #18 at [www.sec.gov](http://www.sec.gov).

Mr. Shepard blasted the Boards of Donegal Mutual and Donegal Group for failing to adequately consider Mr. Shepard's October 7, 2013 proposal. According to Mr. Shepard: "These Board members really need to be reminded that their fiduciary duties under law are to the Donegal Group shareholders to maximize the value of the Donegal Group shares. Simply put, Mr. Nikolaus business plans just aren't successful for the Donegal Group shareholders; Mr. Nikolaus' plans only work for Mr. Nikolaus and his friends on the Boards, as witnessed by the gigantic and highly dilutive stock option increases over the last 5 years."

According to Mr. Shepard, "By my calculations, during the 5 years between 2007 and 2012, Donegal Group's a) book value grew by a total of 13.4% or a meager 2.7% per year; b) book value per outstanding shares grew by a total of only 12.2% or 2.4% per year; c) but stock options grew by an astounding 181% or 36.2% per year; and d) fully diluted book value grew by a total of only 7.9% or 1.6% per year.

Mr. Shepard further notes that Donegal Group's Investor Presentation titled "Pursuing Effective Business Strategy in Regional Insurance Markets" to "Achieve Book Value Growth By Implementing Plan" dated September 20, 2013 and filed with the SEC, makes no mention of the substantial dilution of Donegal Group's shareholders as a result of the extraordinarily high number of options granted to Donegal Group insiders and employees relative to industry peers. This Investor Presentation was filed as Exhibit 99.1 to Donegal Group's Form 8-K on September 20, 2013, and is available at [www.sec.gov](http://www.sec.gov).

Mr. Nikolaus called Mr. Shepard's offer illusory because, among other things, Mr. Shepard has not yet obtained "all of the regulatory approvals necessary for you to purchase any additional shares of [Donegal Group] common stock." Mr. Shepard calls this: "ridiculous and absurd, and the sure sign of a desperate man. If Mr. Nikolaus hired any financial advisor worth his salt, Mr. Nikolaus would learn that regulatory approvals are frequently obtained after an amicable transaction has been agreed to, or during the negotiation process." Mr. Shepard continued: "This process has really suffered from each Board not hiring credible investment banks to advise them, but instead relying on the advice of lawyers. I call on each Board to hire an investment

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bank of national standing to properly advise them.” In any event, Mr. Shepard’s regulatory applications to purchase additional shares are pending with the regulators.

Mr. Shepard calls on Mr. Nikolaus to resign and step down from all positions at Donegal Mutual and Donegal Group. “Mr. Nikolaus is hopelessly conflicted between his focus on his thirty-some year career, his standing with his employees, his place in the community, his duties to the Donegal Group shareholders, and his duties to the Donegal Mutual policyholders,” according to Mr. Shepard. Furthermore, Mr. Shepard asserts, “Mr. Nikolaus’ stale business strategy has failed to produce acceptable results for Donegal Group’s long-suffering public shareholders, who from September 30, 2006 to September 30, 2013 were forced to watch their Class A stock price decline by 31% from \$20.22 to \$13.99 per Class A Share and their Class B stock price rise by a paltry 8% from \$18.02 to \$19.49 per Class B Share, while during the same period outstanding stock options increased by 181%.”

The release 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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