

MEADOWBROOK INSURANCE GROUP INC
Form DEFM14A
March 25, 2015

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**SCHEDULE 14A
(RULE 14A-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant x
Filed by a Party other than the Registrant o
Check the appropriate box:

o Preliminary Proxy Statement
 o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
 x Definitive Proxy Statement
 o Definitive Additional Materials
 o Soliciting Material Pursuant to §240.14a-12

MEADOWBROOK INSURANCE GROUP, INC.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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PRELIMINARY PROXY STATEMENT, SUBJECT TO COMPLETION,

DATED MARCH 25, 2015

March 25, 2015

Dear Fellow Shareholder:

An Annual Meeting of shareholders of Meadowbrook Insurance Group, Inc., a Michigan corporation (the *Company*), will be held on April 27, 2015, at 2:00 p.m. Eastern Time at 26255 American Drive, Southfield, Michigan 48034 (the *Annual Meeting*). You are cordially invited to attend. The purpose of the meeting is to:

consider and vote on a proposal to adopt and approve the Agreement and Plan of Merger, dated as of December 30, 2014 and as amended from time to time (the *merger agreement*), by and among the Company, Miracle Nova II (US), LLC, a Delaware limited liability company (*Parent*), and Miracle Nova III (US), Inc., a Delaware corporation and a wholly-owned subsidiary of Parent (*Sub*) and the merger contemplated by the merger agreement (the *merger*); consider and vote on a proposal to approve, by a non-binding advisory vote, the compensation that may be paid or become payable to the Company's named executive officers that is based on or otherwise relates to the merger; elect Robert S. Cubbin, Robert F. Fix and Douglas A. Gaudet for a three-year term expiring in 2018, or, in each case, until the earlier election and qualification of such director's successor and elect Florine Mark for a one-year term expiring in 2016, or, in such case, until the earlier election and qualification of such director's successor;

ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm;

consider an advisory vote to approve the Company's 2014 executive compensation;

consider and vote on a proposal to adjourn the Annual Meeting to a later date or time if necessary or appropriate, including to solicit additional proxies in favor of the proposal to adopt and approve the merger agreement and the merger if there are insufficient votes at the time of the Annual Meeting to adopt and approve the merger agreement and the merger; and

transact any other business that is properly submitted before the Annual Meeting or any adjournments of the Annual Meeting.

On December 30, 2014, the Company entered into the merger agreement with Sub and Parent, providing for, subject to the satisfaction or waiver of specified conditions, the acquisition of the Company by Sub at a price of \$8.65 per share in cash. Subject to the terms and conditions of the merger agreement, the Company will survive the merger as a wholly-owned subsidiary of Parent.

At the effective time of the merger, each share of the Company's common stock issued and outstanding immediately prior to the effective time (other than (i) shares held by shareholders of the Company who have properly exercised and perfected appraisal rights under Michigan law, (ii) shares that are owned by Parent, Sub or any other subsidiary of Parent and (iii) shares that are owned by the Company or by any subsidiary of the Company) will be converted into the right to receive \$8.65 per share in cash, without interest, subject to any applicable withholding taxes.

The proxy statement accompanying this letter provides you with more specific information concerning the Annual Meeting, the merger agreement, the merger and the other transactions contemplated by the merger agreement. We encourage you to carefully read the accompanying proxy statement and the copy of the merger agreement attached as

Annex A to the proxy statement.

The board of directors of the Company (the **Board**) carefully reviewed and considered the terms and conditions of the merger agreement, the merger and the other transactions contemplated by the merger agreement. The Board also considered a number of factors in evaluating the merger and consulted with its

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outside legal and financial advisors. By a unanimous vote of the directors present at the meeting, the Board (i) approved the merger agreement, (ii) declared the merger agreement and the transactions contemplated thereby, including the merger, to be advisable and in the best interests of the Company and the Company's shareholders, (iii) directed that a proposal to adopt and approve the merger agreement and the merger be submitted to a vote at a meeting of the shareholders of the Company and (iv) recommended that the shareholders of the Company vote for the adoption and approval of the merger agreement and the merger. **Accordingly, the Board recommends a vote FOR the proposal to adopt and approve the merger agreement and the merger.**

The Board also recommends that at the Annual Meeting you vote FOR the approval, by a non-binding advisory vote, of the compensation that may be paid or become payable to the Company's named executive officers that is based on or otherwise relates to the merger, FOR each of the nominees to the Board named in the accompanying proxy statement, FOR the ratification of the appointment of the independent registered public accounting firm, FOR the executive compensation of our named executives as disclosed in this Proxy Statement and FOR the proposal to adjourn the Annual Meeting if necessary or appropriate, including to solicit additional proxies.

Your vote is important. Whether or not you plan to attend the Annual Meeting and regardless of the number of shares you own, your careful consideration of, and vote on, the proposal to adopt and approve the merger agreement and the merger is important, and we encourage you to vote promptly. The merger cannot be completed unless the merger agreement and the merger are adopted and approved by shareholders holding at least a majority of the outstanding shares of the common stock of the Company entitled to vote on such matter. **The failure to vote will have the same effect as a vote AGAINST the proposal to adopt and approve the merger agreement and the merger.**

After reading the accompanying proxy statement, please make sure to vote your shares promptly by completing, signing and dating the accompanying proxy card and returning it in the enclosed prepaid envelope or by voting by telephone or through the Internet by following the instructions on the accompanying proxy card. Instructions regarding all three methods of voting are provided on the proxy card. If you hold shares through an account with a bank, broker, trust or other nominee, please follow the instructions you receive from it to vote your shares.

Thank you in advance for your continued support and your consideration of this matter.

Robert S. Cubbin
President and Chief Executive Officer

Neither the United States Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the merger, passed upon the merits or fairness of the merger or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

The accompanying proxy statement is dated March 25, 2015 and is first being mailed to the Company's shareholders on or about March 26, 2015.

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MEADOWBROOK INSURANCE GROUP, INC.
26255 American Drive,
Southfield, Michigan 48034

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To be Held On April 27, 2015

To the Shareholders of the Company:

An Annual Meeting of shareholders of Meadowbrook Insurance Group, Inc. (the *Company*) will be held on April 27, 2015, at 2:00 p.m. Eastern Time, at 26255 American Drive, Southfield, Michigan 48034, for the following purposes:

1. to consider and vote on a proposal to adopt and approve the Agreement and Plan of Merger, dated as of December 30, 2014 and as amended from time to time (the *merger agreement*), by and among the Company, Miracle Nova II (US), LLC, a Delaware limited liability company (*Parent*), and Miracle Nova III (US), Inc., a Delaware corporation and a wholly-owned subsidiary of Parent (*Sub*) and the merger contemplated by the merger agreement (the *merger*);
2. to consider and vote on a proposal to approve, by a non-binding advisory vote, the compensation that may be paid or become payable to the Company's named executive officers that is based on or otherwise relates to the merger;
3. to elect Robert S. Cubbin, Robert F. Fix and Douglas A. Gaudet for a three-year term expiring in 2018, or, in each case, until the earlier election and qualification of such director's successor and elect Florine Mark for a one-year term expiring in 2016, or, in such case, until the earlier election and qualification of such director's successor;
4. to ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm;
5. to consider an advisory vote to approve the Company's 2014 executive compensation;
6. to consider and vote on a proposal to adjourn the Annual Meeting to a later date or time if necessary or appropriate, including to solicit additional proxies in favor of the proposal to adopt and approve the merger agreement and the merger if there are insufficient votes at the time of the Annual Meeting to adopt and approve the merger agreement and the merger; and
7. to transact any other business that is properly submitted before the Annual Meeting or any adjournments of the Annual Meeting.

Shareholders of record at the close of business on March 12, 2015 are entitled to notice of, and to vote at, the Annual Meeting and any adjournments or postponements thereof.

For more information concerning the Annual Meeting, the merger agreement, the merger and the other transactions contemplated by the merger agreement, please review the accompanying proxy statement and the copy of the merger agreement attached as Annex A to the proxy statement.

The board of directors of the Company (the *Board*) carefully reviewed and considered the terms and conditions of the merger agreement, the merger and the other transactions contemplated by the merger agreement. The Board also considered a number of factors in evaluating the merger and consulted with its outside legal and financial advisors. By a unanimous vote of directors present at the meeting, the Board (i) approved the merger agreement, (ii) declared the merger agreement and the transactions contemplated thereby, including the merger, to be advisable and in the best interests of the Company and the Company's shareholders, (iii) directed that a proposal to adopt and approve the merger agreement and the merger be submitted to a vote at a meeting of the shareholders of the Company and (iv)

recommended that the Company's shareholders vote for the adoption and approval of the merger agreement and the merger.

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The Board recommends that at the Annual Meeting you vote FOR the proposal to adopt and approve the merger agreement and the merger, FOR the approval, by a non-binding advisory vote, of the compensation that may be paid or become payable to the Company's named executive officers that is based on or otherwise relates to the merger, FOR each of the nominees to the Board named in the accompanying proxy statement, FOR the ratification of the appointment of the independent registered public accounting firm, FOR the executive compensation of our named executives as disclosed in this Proxy Statement and FOR the proposal to adjourn the Annual Meeting if necessary or appropriate, including to solicit additional proxies.

To assure that your shares are represented at the Annual Meeting, regardless of whether you plan to attend the Annual Meeting in person, please fill in your vote, sign and mail the enclosed proxy card as soon as possible. We have enclosed a return envelope, which requires no postage if mailed in the United States. Alternatively, you may vote by telephone or through the Internet. Instructions regarding each of the methods of voting are provided on the enclosed proxy card. If you are voting by telephone or through the Internet, then your voting instructions must be received by 11:59 p.m. Eastern Time on April 26, 2015. Your proxy is being solicited by the Board.

If you have any questions about the merger or how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, please call our proxy solicitor Innisfree M&A Incorporated, at 1-888-750-5834 (for shareholders) or 212-750-5833 (for banks and brokers).

If you fail to return your proxy, vote by telephone or through the Internet or attend the Annual Meeting in person, your shares will not be counted for purposes of determining whether a quorum is present at the Annual Meeting and will have the same effect as a vote AGAINST the proposal to adopt and approve the merger agreement and the merger.

By Order of the Board of Directors

Michael G. Costello, Senior Vice President,
General Counsel and Secretary

Southfield, Michigan
March 25, 2015

Please Vote Your Vote is Important

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SUMMARY TERM SHEET

*This summary highlights certain information in this proxy statement, but may not contain all of the information that may be important to you. You should carefully read the entire proxy statement and the attached Annexes and the other documents to which this proxy statement refers you for a more complete understanding of the matters being considered at the Annual Meeting. In addition, this proxy statement incorporates by reference important business and financial information about Meadowbrook Insurance Group, Inc. You may obtain the information incorporated by reference in this proxy statement without charge by following the instructions in the section entitled *Where You Can Find More Information*. Unless the context otherwise indicates, we refer to Meadowbrook Insurance Group, Inc. as the **Company**, **we**, **Meadowbrook**, **us** or **our**.*

The Parties (see page 15)

Meadowbrook, based in Southfield, Michigan, is a leader in the specialty program management market. Meadowbrook includes several agencies, claims and loss prevention facilities, self-insured management organizations and six property and casualty insurance underwriting companies. Meadowbrook has twenty-eight locations in the United States. Meadowbrook is a risk management organization, specializing in specialty risk management solutions for agents, professional and trade associations, and small to medium-sized insureds. Meadowbrook Insurance Group, Inc. common shares are listed on the New York Stock Exchange under the symbol **MIG**.

Fosun International Limited (00656.HK) (which we r