

NEW YORK, Oct. 7, 2013 /PRNewswire/ -- Abbey Spanier, LLP, has filed a class action lawsuit against Meadowbrook Insurance Group, Inc. ("Meadowbrook" or the "Company") (NYSE: MIG). The class action complaint, filed in the United States District Court, Southern District of New York

, and docketed under 13 CV 7094, is on behalf of all those who purchased or otherwise acquired Meadowbrook common stock during the period between

January 25, 2012

and

August 14, 2013

, inclusive (the "Class Period"), and who were damaged thereby (the "Class"). This class action seeks to recover damages against the Company and certain of its officers and directors as a result of alleged violations of the federal securities laws pursuant to Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder.

The complaint was filed as a related case to another class action, filed in the United States District Court, Southern District of New York. The complaint filed today by Abbey Spanier extends the class period to include all those who purchased or otherwise acquired Meadowbrook common stock during the period between January 25, 2012 and August 14, 2013

If you are a shareholder who purchased Meadowbrook securities during the Class Period, you have until October 14, 2013 to ask the Court to appoint you as Lead Plaintiff for the Class.

The Complaint brought by Abbey Spanier alleges that throughout the Class Period, Defendants knowingly made material false and misleading statements about the Company's financial condition and operating results. Specifically, Defendants failed to disclose that adverse market conditions materially impaired Meadowbrook's business operations and the value of its intangible assets. The value of Meadowbrook's assets included the acquisition of ProCentury Corporation's excess and surplus lines of business.

Defendants also touted the way Meadowbrook operated its business lines including its reserve process. The Defendants specifically led investors to believe that it had a culture of disciplined claims handling and reserve processing. In truth, throughout the Class Period, Defendants'

failed to disclose and misrepresented the following material adverse facts which were known to them: (a) that Meadowbrook's reported goodwill and intangible assets were materially overstated; (b) that, as a result of its failure to timely write-down goodwill, the Company's financial results during the Class Period were materially overstated; (c) that the Company's financial statements were not prepared in accordance with GAAP and, therefore, were materially false and misleading; (d) that the impairment charges were understated, and goodwill, total assets, stockholders equity, net income and deferred income and taxes were overstated; and (e) that the Company failed to develop and implement adequate internal controls to insure that the Company's financial results were adequately reported.

On August 2, 2013, A.M. Best Company downgraded the Company's financial strength rating from "A-" (Excellent) to "B++" (Good). Following the downgrade, on August 14, 2013

, the Company announced that it would take a non-cash impairment of goodwill of \$115.4

. The impairment charge wiped out 95% of the Company's goodwill on its balance sheet, and caused the Company to violate "financial covenants" applicable to the certain credit facilities.

The attorneys at Abbey Spanier, LLP have extensive experience in securities class action cases, and have played lead roles in major cases resulting in the recovery of over one billion dollars for investors. If you would like to discuss this action or if you have any questions concerning this Notice or your rights as a potential class member or lead plaintiff, you may contact:

SOURCE Abbey Spanier, LLP