

**IN THE CIRCUIT COURT FOR THE FOURTH JUDICIAL CIRCUIT,
IN AND FOR DUVAL COUNTY, FLORIDA**

IN RE FORTEGRA FINANCIAL
CORPORATION SHAREHOLDER
LITIGATION

Case No. 16-2014-CA-005825-XXXX-MA

**NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION
AND HEARING ON PROPOSED SETTLEMENT**

TO: **ALL RECORD HOLDERS AND ALL BENEFICIAL OWNERS OF COMMON STOCK OF FORTEGRA FINANCIAL CORPORATION (TOGETHER WITH ITS PREDECESSORS, SUCCESSORS, PARENTS, SUBSIDIARIES, DIVISIONS AND AFFILIATES, THE "COMPANY") ON AUGUST 12, 2014 AND WHO HELD SUCH SHARES THROUGH AND INCLUDING DECEMBER 4, 2014, THE CLOSING DATE OF THE MERGER.**

THIS NOTICE WAS SENT TO YOU BY ORDER OF THE COURT. PLEASE READ THIS NOTICE CAREFULLY IN ITS ENTIRETY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF THIS CLASS ACTION. IF YOU ARE A CLASS MEMBER, YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS ACTION, AND THIS NOTICE CONTAINS IMPORTANT INFORMATION AS TO YOUR RIGHTS CONCERNING THE SETTLEMENT DESCRIBED BELOW.

IF YOU HELD COMMON STOCK OF THE COMPANY FOR THE BENEFIT OF ANOTHER, PLEASE PROMPTLY TRANSMIT NOTICE TO THE BENEFICIAL OWNER.

This Notice is not a lawsuit against you, you are not being sued. You have received this Notice because you may be a member of the settlement class described in this Notice.

I. PURPOSE OF THIS NOTICE

This Notice of Pendency and Proposed Settlement of Class Action and Hearing on Proposed Settlement (the "Notice") is given pursuant to an Order of the Circuit Court of the 4th Judicial Circuit, in and for Duval County, Florida (the "Court") entered in the above-captioned action (the "Action") on February 6, 2015 (the "Order for Notice and Scheduling of Hearing on Settlement"). The terms and conditions of the settlement (the "Settlement") are embodied in a Stipulation of Settlement and Release (the "Stipulation") entered into on January 26, 2015, by and between: (i) plaintiffs Shiva Y. Stein and Carol Hickey ("Plaintiffs"), each on their own behalf and on behalf of a putative class of holders and owners of common stock of the Company; and (ii) defendants John Carroll, Francis M. Colalucci, Frank P. Philipps, Richard S. Kahlbaugh, J.J. Kardwell, Dr. Arun Maheshwari, Ted W. Rollins, and Sean Sweeney (the "Individual Defendants"); and (iii) the Company, Tiptree Operating Company, LLC, Tiptree Financial Inc., Caroline Holdings, LLC, and Carolina Merger Sub, Inc. (together with their predecessors, successors, parents, subsidiaries, divisions and affiliates, "Tiptree") (collectively, the "Defendants," and together with the Plaintiffs and the Individual Defendants, the "Parties"). The purpose of this Notice is to inform you of (i) the pendency and proposed Settlement of the Action by means of the Stipulation, (ii) the Court's conditional certification of a class for purposes of the Settlement, and (iii) your right to participate in a hearing to be held on April 20, 2015 at 4:30 p.m. (the "Settlement Hearing"), before Honorable Virginia B. Norton in the Circuit Court of the 4th Judicial Circuit, in and for Duval County, Florida, Duval County Courthouse, 501 W. Adams St., Jacksonville, FL 32202 to: (i) determine whether, for settlement purposes only, the Court's conditional certification of the Settlement Class (as defined below), pursuant to Rules 1.220(a), (b)(1) and (b)(2) of the Florida Rules of Civil Procedure (the "Florida Rules"), should be made final; (ii) determine whether the Court should grant final approval of the proposed Settlement on the terms and conditions provided for in the Stipulation as fair, reasonable and adequate; (iii) determine whether judgment should be entered pursuant to the Stipulation, *inter alia*, dismissing the Action with prejudice; and (iv) hear and determine other matters relating to the proposed Settlement.

The Court has determined that for purposes of the Settlement only, the Action shall be conditionally maintained as a class action pursuant to Rules 1.220(a), (b)(1) and (b)(2) of the Florida Rules on behalf of a non-opt-out class consisting of all holders and all owners, including all record holders and/or beneficial owners, of common stock of the Company (excluding Defendants and any person, firm, trust, corporation or other entity related to or affiliated with any Defendants) on August 12, 2014 and who held such shares through and including December 4, 2014, the closing date of the merger, including, as to all such holders and all such owners, any and all of their respective successors in interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them (the "Settlement Class," and each member thereof a "Settlement Class Member").

This Notice describes the rights that you may have pursuant to the Settlement and what steps you may, but are not required to, take in relation to the Settlement.

If the Court approves the Settlement, the Parties will ask the Court at the Settlement Hearing to enter an Order and Final Judgment dismissing the Action with prejudice on the merits as to all Defendants and releasing claims in accordance with the terms of the Stipulation.

The Court has reserved the right to adjourn the Settlement Hearing, or any portion thereof, without further notice to the Settlement Class other than by announcement at the Settlement Hearing or any adjournment thereof. The Court has further reserved the right to approve the Settlement at or after the Settlement Hearing with such modifications as may be consented to by the Parties and without further notice to the Settlement Class Members.

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT. IT IS BASED ON THE STATEMENTS OF THE PARTIES AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES.

II. HISTORY AND BACKGROUND OF THE SETTLEMENT

On August 11, 2014, Fortegra and Tiptree entered into an Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which Tiptree would acquire Fortegra for \$10.00 per share of Fortegra common stock (the "Merger"). In connection with the execution of the Merger Agreement, the Principal Stockholders,¹ which held approximately 62% of the Company's outstanding stock, executed a Written Consent of Stockholders in Lieu of Meeting, thereby approving the Merger and eliminating the need for a shareholder vote on it. Fortegra and Tiptree jointly announced the Merger the following day.

On August 18, 2014, Shiva Y. Stein, individually and on behalf of all others similarly situated, filed a class action in the Fourth Judicial Circuit, in and for Duval County, Florida captioned *Stein v. John Carroll, et. al.*, Case No. 16-2014-CA-005825-XXXX-MA (the "Stein Action"), asserting claims in connection with the Merger. Thereafter, an amended complaint was filed in the Stein Action. The amended complaint challenges, among other things, the Merger, the Merger Agreement, and the disclosures made by Fortegra concerning the Merger, and alleges that the Fortegra Board breached its fiduciary duties in connection therewith.

On September 9, 2014 Fortegra filed a Schedule 14C Preliminary Information Statement with the Securities and Exchange Commission ("SEC").

On September 15, 2014, Carol Hickey, individually and on behalf of all others similarly situated, also filed a class action in the Fourth Judicial Circuit, in and for Duval County, Florida (the "Court") captioned *Hickey v. Fortegra Financial Corporation, et. al.*, Case No. 16-2014-CA-006485-XXXX-MA (the "Hickey Action"), asserting claims in connection with the Merger.

On September 30, 2014, Fortegra filed a Schedule 14C Definitive Information Statement ("Information Statement") with the SEC and mailed the Information Statement to Fortegra shareholders of record as of August 11, 2014. The Information Statement, among other things, explained the Merger and Merger Agreement, included a detailed description of the background of the Merger, and advised shareholders of their right to seek appraisal and how to perfect such rights.

Plaintiffs in the Action sent demand letters to Defendants on August 29, 2014 and September 19, 2014.

Between September 24, 2014 and October 12, 2014, the Settling Parties engaged in expedited discovery including (i) the production ("Defendants' Document Production"), review and analysis of approximately 25,000 pages of documents from Fortegra and Willis Capital Markets and Advisory ("Willis"), the Fortegra Board's financial advisor, and (ii) depositions of J.J. Kardwell, the Chairman of a Special Committee of Fortegra's Board, Richard Kahlbaugh, Fortegra's Chief Executive Officer and Chairman, and Tony Ursano, the Chief Executive Officer of Willis.

Following, *inter alia*, a review of documents produced pursuant to Defendants' Document Production, on or about October 7, 2014 counsel for Plaintiffs' Counsel sent a letter to counsel for Defendants listing, among other things, the additional disclosures that Plaintiffs would want Defendants to promptly make in consideration for any settlement of the Action;

After extensive negotiations, the Parties reached an agreement in principle, memorialized in a Memorandum of Understanding dated October 13, 2014 (the "MOU"), providing for the settlement of the Action between and among Plaintiffs, on behalf of themselves and the Settlement Class and Defendants, on the terms and subject to the conditions set forth

¹ The Principal Stockholders refer to Summit Partners Private Equity Fund VII-A L.P., Summit Partners Private Equity Fund VII-B L.P., Summit Subordinated Debt Fund III-A L.P., Summit Subordinated Debt Fund III-B L.P., and Summit Investors VI L.P. Summit Partners, L.P., as (i) managing member of Summit Partners PE VII, LLC, which is the general partner of Summit Partners PE VII, L.P., which is the general partner of Summit Partners Private Equity Fund VII-A, L.P. and Summit Partners Private Equity Fund VII-B, L.P., (ii) the managing members of Summit Partners SD III, LLC, which is the general partner of Summit Partners SD III, L.P., which is the general partner of Summit Subordinated Debt Fund III-A, L.P. and Summit Subordinated Debt Fund III-B, L.P. and (iii) the managing member of Summit Partners VI (GP), LLC, which is the general partner of Summit Partners VI (GP), L.P., which is the general partner of Summit Investors VI, L.P., beneficially owns the shares owned by the Principal Stockholders. All of the foregoing entities are collectively defined as "Summit."

below. As a result, Fortegra agreed to, and did, make certain additional disclosures regarding the Merger Agreement (the "Supplemental Disclosures") through a current report on Form 8-K filed with the SEC on or about October 14, 2014.

On October 20, 2014, the Parties filed a Stipulation and Proposed Order on Transfer and Consolidation which, among other things, sought to consolidate the Stein and Hickey Actions before Judge Virginia B. Norton, the judge to whom the first-filed Stein Action was assigned. Thereafter, the Court consolidated the Stein and Hickey Actions and directed that the consolidated Action be captioned *In re Fortegra Financial Corporation*, Case No. 16-2014-CA-005825-XXX-MA.

On January 26, 2015, the parties filed the Stipulation of Settlement.

III. THE PROPOSED SETTLEMENT

In consideration for the settlement and dismissal with prejudice of the Actions and the releases provided herein, the Company and Tiptree agreed to make and made the Supplemental Disclosures regarding the Merger in a Form 8-K filed with the SEC on or about October 14, 2014, which is attached hereto as Attachment "A." Those Supplemental Disclosures addressed many of the changes sought in the Action and the demand letters from Plaintiffs.

Without admitting any wrongdoing, and specifically denying such, Defendants have acknowledged in the Stipulation that the filing and prosecution of the Actions and discussions with Plaintiffs' counsel were the sole causes of the Supplemental Disclosures reflected in the Form 8-K. Defendants have also agreed that all costs and expenses incurred in providing this Notice to the Settlement Class Members are being paid by Fortegra or its successor-in-interest (or its insurer).

The full terms of the Settlement are set forth in the Stipulation.

If you are a Settlement Class Member, you (1) will be bound by any judgment entered in this Action whether or not you actually receive this Notice; and (2) may not opt out of the Settlement Class.

IV. ORDER AND FINAL JUDGMENT

At the Settlement Hearing, the Parties will ask the Court to enter an Order and Final Judgment which will, among other things:

- a. approve the Settlement pursuant to the Florida Rules of Civil Procedure;
- b. authorize and direct performance of the Settlement in accordance with its terms and conditions and reserve jurisdiction to supervise the consummation and enforcement of the Settlement;
- c. make final the Court's previous conditional determination to (i) certify the Settlement Class, for settlement purposes only, pursuant to Rules 1.220(a), (b)(1) and (b)(2) of the Florida Rules of Civil Procedure, and (ii) designate Plaintiffs Shiva Y. Stein and Carol Hickey as the representatives of the Settlement Class, and their counsel as Co-Lead Counsel for the Settlement Class;
- d. grant the releases described more fully below in accordance with the terms of the Stipulation;
- e. permanently bar and enjoin the Plaintiffs and all Settlement Class Members from asserting, commencing, prosecuting or continuing, either directly, indirectly, individually, representatively, or in any other capacity, any action in any court asserting any of the Settled Claims (as defined below) as against any and all Defendant Releasees and Plaintiff Releasees (as defined below);
- f. dismiss the Action with prejudice; and
- g. reserve jurisdiction over all matters relating to the administration, effectuation and enforcement of the Settlement.

V. RELEASES

The Stipulation provides that, as of the date when the Court's Order and Final Judgment approving the Settlement is finally affirmed on appeal or is no longer subject to appeal ("Final Court Approval," and the date thereof the "Effective Date"), Plaintiffs and each and every member of the Settlement Class and each of their respective present or past heirs, executors, estates, administrators, predecessors, successors, assigns, parents subsidiaries, associates, affiliates, employers, employees, agents, consultants, insurers, directors, managing directors, officers, partners, partnerships, principals, limited liability companies, members, attorneys, bankers, consultants, trustees, insurers, co-insurers, accountants, financial and other advisors, investment bankers, underwriters, lenders, auditors, and any other representatives of any of these persons or entities. (the "Releasing Plaintiff Parties"), shall fully, finally, and forever release and discharge Defendants, each of their respective present or past heirs, executors, estates, administrators, consultants, financial advisors, attorneys, bankers, investment bankers, underwriters, lenders, auditors, insurers; and each of their respective current and former officers, directors, managers, partners, agents, parents, affiliates, subsidiaries, successors, predecessors, assigns, assignees, employees, divisions, joint ventures, general or limited partners or partnerships, limited liability companies, and any other representatives of any of these persons or entities (the "Defendant Releasees") from, except as may exist with respect to claims belonging to the Defendants against their insurers or co-insurers, all claims, debts, demands, rights, liabilities,

obligations, matters, issues, and causes of action of every nature and description, whether known claims or Unknown Claims pursuant to California Civil Code §1542 or any law of any state or territory of the United States or principle of common law, which is similar, comparable or equivalent to California Civil Code §1542, whether contingent or absolute, discoverable or undiscoverable, accrued or un-accrued, fixed or contingent, liquidated or un-liquidated, matured or un-matured, concealed or hidden, whether arising under state, local, foreign, federal, statutory, regulatory, common or other law or rule (including but not limited to, any claims for fraud, negligence, negligent supervision, gross negligence, intentional or reckless conduct, indemnification, breach of duty, misrepresentation, unjust enrichment, constructive trust, accounting, rescission, breach of fiduciary duty, negligent misrepresentation, insider trading, mismanagement, corporate waste, breach of contract, violations of the federal securities laws or state disclosure laws, and any other claims for damages, interest, attorneys' fees, expert fees, or other costs, expenses, liabilities, except as set forth in paragraph 12 of the Stipulation), against the Defendant Releasees, that any member of the Releasing Plaintiff Parties (i) asserted in the complaints filed in the Action, or (ii) could have asserted, or could assert, in any forum that arise out of, are based upon, or relate to the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the complaints filed in the Action or that arise out of, are based upon, or relate to the Merger and/or the Merger Agreement. Released Plaintiffs Claims do not include (i) any claims relating to the enforcement of the Settlement; or (ii) any claims solely for statutory appraisal with respect to the Merger pursuant to Section 262 of the Delaware General Corporation Law of the State of Delaware by Fortegra stockholders who properly perfected such claims for appraisal and have not otherwise waived their appraisal rights.

The Stipulation also provides that, upon the Effective Date, the Releasing Defendant Parties completely release all claims relating to the subject matter of the Action that they have or may have against the Plaintiff Releasees, including any claims that arise out of or relate in any way to the institution, prosecution, or settlement of the claims asserted in the Action, provided, however, that the Plaintiff Releasees shall retain the right to enforce the terms of the Stipulation.

The releases contemplated by the Stipulation shall extend to claims that the Releasing Plaintiff Parties, Releasing Defendant Parties, Plaintiff Releasees and Defendant Releasees do not know or suspect to exist at the time of the release, which if known, might have affected their decision to enter into the release. Releasing Plaintiff Parties, Releasing Defendant Parties, Plaintiff Releasees and Defendant Releasees shall be deemed to relinquish, to the extent it is applicable, and to the full extent permitted by law, the provisions, rights and benefits of §1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS, WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The Releasing Plaintiff Parties, Releasing Defendant Parties, Plaintiff Releasees and Defendant Releasees shall be deemed to waive any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to California Civil Code §1542. The Parties acknowledge that the foregoing waivers were separately bargained for and are a key element of the Proposed Settlement.

VI. NOTICE TO PERSONS OR ENTITIES HOLDING OWNERSHIP ON BEHALF OF OTHERS, INCLUDING BROKERS AND OTHER NOMINEES

The Court has ordered that record holders of shares of the Company included in the Settlement Class who held such shares for the benefit of others (including, for example, brokerage firms and banks), on August 12, 2014 and who held such shares through and including December 4, 2014, the closing date of the merger, must (i) send the postcard containing the "Short-Form Notice," which referred the Settlement Class Members to this Notice, to all of their respective beneficial owners of such shares within ten (10) days after receipt of the Short-Form Notice, or (ii) send a list of the names and addresses of such beneficial owners to Gilardi & Co. LLC (the "Notice Administrator") within five (5) days of receipt of the Notice:

Fortegra Financial Corporation Securities Litigation
Notice Administrator
c/o Gilardi & Co. LLC
P.O. Box 990
Corte Madera, CA 94976-0990

If you are such a record holder and you choose to mail the Short-Form Notice yourself, you may obtain from the Notice Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing, by requesting such copies at the address listed above. Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for reasonable administrative costs actually incurred or *expected* to be incurred in connection with forwarding the Short-Form Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate, itemized documentation to the Notice Administrator at the address listed above.

In addition, the Court has ordered the Company or its successor-in-interest to cause a copy of the Short-Form Notice to be published one time over the internet via *Business Wire* or *PR Newswire*. The "Short-Form Notice" informs Settlement Class Members on where to obtain this "Long-Form Notice of the Settlement to Settlement Class Members" ("Long-Form Notice"). The Court has also ordered the Company or its successor-in-interest or Notice Administrator to make this Long-Form Notice available to Settlement Class Members on an internet site, as well as to establish a toll-free telephone number and address by which Settlement Class Members may request the Long-Form Notice to be mailed. The Notice Administrator will mail the Long-Form Notice, by United States first-class mail, postage pre-paid, to each Settlement Class Member requesting such a mailing.

VII. PLAINTIFFS' COUNSEL'S ATTORNEYS' FEES AND EXPENSES

Counsel intend to petition the Court for an award of reasonable attorneys' fees in an amount up to and including \$250,000 and out-of-pocket expenses incurred in the prosecution of the Action up to \$15,000. Defendants will not oppose any request up to and including \$250,000 in fees and \$15,000 in actual, out-of-pocket expenses. Any award of attorneys' fees and expenses up to \$250,000 and \$15,000, respectively, will be paid by Fortegra or its successor or insurer, on behalf of all Defendants. Except as provided in this paragraph, none of the Defendants have any liability for payment of any attorneys' fees or expenses of the Plaintiffs or any member of the Class in connection with the Action.

VIII. THE SETTLEMENT HEARING

The Settlement Hearing will be held on April 20, 2015 at 4:30 p.m., before Honorable Virginia B. Norton in the Circuit Court for the 4th Judicial Circuit, in and for Duval County, Florida, Duval County Courthouse, 501 W. Adams St., Jacksonville, FL 32202.

IX. YOUR RIGHT TO APPEAR AND OBJECT AT THE SETTLEMENT HEARING

Any Settlement Class Member may, but is not required to, appear at the Settlement Hearing in person or by counsel and be heard in support of, or in opposition to, the Settlement, the entry of the Order and Final Judgment, or any other matter to be considered at the Settlement Hearing. However, no Settlement Class Member shall be heard in opposition to, or entitled to otherwise contest the approval of, the Settlement or the entry of the Order and Final Judgment, or any other matter to be considered at the Settlement Hearing, and no paper or brief submitted by any such Person shall be received or considered by the Court, unless no later than fourteen (14) calendar days before the Settlement Hearing, that Person shall file with the Clerk of the Court, Circuit Court of the 4th Judicial Circuit for Duval County, Florida, Duval County Courthouse, 501 W. Adams St., Jacksonville, FL 32202: (i) a written notice of objection, including a written notice of his, her or its intention to appear if he, she or it intends to do so, (ii) proof of his, her or its ownership of Fortegra stock as of August 12, 2014, (iii) a written statement of the position he, she or it will assert, (iv) the reasons for his, her or its position, and (v) copies of any papers, briefs or other matter they wish the Court to consider. In addition, such Person must also serve such notice and papers upon the following counsel, such that they are received by such counsel on or before fourteen (14) calendar days before the Settlement Hearing:

Julia J. Sun, Esq.
LEVI & KORSINSKY LLP
30 Broad Street, 24th Floor
New York, NY 10004
Telephone: (212) 363-7500
Facsimile: (866) 367-6510

Gustavo F. Bruckner, Esq.
POMERANTZ LLP
600 Third Avenue
New York, NY 10016
Telephone: (212) 661-1100
Facsimile: (212) 661-8665

Co-Lead Counsel for Plaintiffs

and

Louise McAlpin, Esq.
HOLLAND & KNIGHT LLP
701 Brickell Avenue, Suite 3300
Miami FL 33131
Telephone: (305) 789-7717
Facsimile: (305) 789-7799

Counsel for Defendants Fortegra, John Carroll, Francis M. Colalucci, Frank P. Filippis, Richard S. Kahlbaugh, J.J. Kardwell, Dr. Arun Maheshwari, Ted W. Rollins, and Sean Sweeney

Michael E. Swartz, Esq.
SCHULTE ROTH & ZABEL LLP
919 Third Avenue
New York, NY 10022
Telephone: (212) 756-2471
Facsimile: (212) 593-5955

Courtney Grimm, Esq.
BEDELL, DITTMAR, DEVAULT
PILLANS & COXE, P.A
101 East Adams Street
Jacksonville, FL 32202
Telephone: (904) 353-0211
Facsimile: (904) 353-9307

***Counsel for Tiptree Operating Company, LLC, Tiptree Financial Inc.,
Caroline Holdings LLC and Caroline Merger Sub Inc***

Such Person shall also file with the Clerk of this Court no later than fourteen (14) calendar days before the Settlement Hearing a proof of service of such notice and papers upon the above-listed counsel. Any Person who fails to object in the manner provided above shall be deemed to have waived the right to object (including any right of appeal) and shall be forever barred from raising such objection, including any objection to the fairness or adequacy of the proposed Settlement as incorporated in the Stipulation, in this or any other action or proceeding, unless otherwise ordered by the Court. Any Settlement Class Member who does not object to the Settlement or any other matter to be considered at the Settlement Hearing need not do anything at this time.

X. EXAMINATION OF PAPERS

This Notice is not all-inclusive. The references in this Notice to the pleadings in this Action, the Stipulation and other papers and proceedings are only summaries and do not purport to be comprehensive. For the full details of this Action, the claims that have been asserted by Plaintiff, and the terms and conditions of the Settlement, you may refer to the Stipulation and the other papers on file with the Court in this Action. You or your attorney may examine the Court's files during regular business hours of each business day at the office of the Clerk of the Court, Circuit Court of the 4th Judicial Circuit for Duval County, Florida, Duval County Courthouse, 501 W. Adams St., Jacksonville, FL 32202.

IF YOU HAVE ANY QUESTIONS, PLEASE MAKE ALL INQUIRIES TO:

Julia J. Sun, Esq.
LEVI & KORSINSKY LLP
30 Broad Street, 24th Floor
New York, NY 10004
(212) 363-7500 x108
(866) 367-6510

Gustavo F. Bruckner, Esq.
POMERANTZ LLP
600 Third Avenue
New York, NY 10016
(212) 661-1100

PLEASE DO NOT CONTACT THE COURT DIRECTLY

Dated: February 6, 2015

DISTRIBUTED BY ORDER OF THE CIRCUIT
COURT FOR THE 4TH JUDICIAL CIRCUIT, IN
AND FOR DUVAL COUNTY, FLORIDA

Exhibit A

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

**FORM 8-K
CURRENT REPORT**

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 13, 2014

FORTEGRA FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-35009

(Commission File Number)

58-1461399

(IRS Employer Identification No.)

10151 Deerwood Park Boulevard, Building 100, Suite 330

Jacksonville, FL

(Address of principal executive offices)

32256

(Zip Code)

(866)-961-9529

Registrant's telephone number, including area code

Not Applicable

(Former Name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01. Other Events.

This Form 8-K is being filed pursuant to a memorandum of understanding regarding the settlement of certain litigation relating to the Agreement and Plan of Merger (the “Merger Agreement”), dated August 11, 2014, by and among Fortegra Financial Corporation (the “Company”), Tiptree Operating Company, LLC, a Delaware limited liability company (“Parent”), Caroline Holdings LLC, a Delaware limited liability company and a wholly owned subsidiary of Parent (“Holdings”), Caroline Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Holdings (“Merger Sub”). Parent is beneficially owned by Tiptree Financial Inc. (“Tiptree”). The Merger Agreement provides that, on the terms and subject to the conditions set forth in the Merger Agreement, Merger Sub will merge with and into the Company (the “Merger”), with the Company continuing as the surviving corporation and a wholly owned subsidiary of Holdings.

As previously disclosed on pages 15 and 52 of the Definitive Information Statement on Schedule 14C filed with the Securities and Exchange Commission (the “SEC”) by the Company on September 30, 2014 (the “Definitive Information Statement”), two putative class action lawsuits were filed in connection with the Merger. The actions are entitled *Stein v. Fortegra Financial Corporation, et al., Case No. 16-2014-CA-005825-XXXX-MA*, pending in the Fourth Judicial Circuit in and for Duval County, State of Florida (the “Court”) and *Hickey v. Fortegra Financial Corporation, et al., Case No. 16-2014-CA-006485-XXXX-MA*, also pending in the Court. Such lawsuits were filed against the Company, the members of its Board of Directors, Parent, Holdings and Merger Sub. The complaints, as amended, allege, among other things, that the amount of consideration to be paid in the Merger is inadequate, that the members of the Board of Directors breached their fiduciary obligations to the Company’s stockholders in approving the Merger Agreement and related agreements, engaging in an unfair sales process and failing to make adequate disclosures to the Company’s stockholders, and that the other named defendants aided and abetted the breach of those duties. The amended complaints seek various forms of relief, including injunctive relief that would, if granted, prevent or delay the completion of the Merger and an award of attorneys’ fees and expenses. On October 13, 2014, the Company, the Company’s Board of Directors, Parent, Holdings and Merger Sub entered into a memorandum of understanding with the plaintiffs in the lawsuits regarding the settlement of these actions.

The Company and the other named defendants have vigorously denied, and continue vigorously to deny, that they have committed or aided and abetted in the commission of any violation of law or engaged in any of the wrongful acts that were or could have been alleged in the litigation, and expressly maintain that, to the extent applicable, they diligently and scrupulously complied with their fiduciary and other legal duties. The Company believes that no further supplemental disclosure is required under applicable laws; however, to avoid the risk of the stockholder class actions delaying or adversely affecting the Merger and to minimize the expense of defending such actions, the Company has agreed, pursuant to the terms of the proposed settlement, to make certain supplemental disclosures related to the Merger, all of which are set forth below. The settlement will not affect the amount of consideration to be paid in the Merger. Nothing in this Current Report or any settlement shall be deemed an admission of the legal necessity or materiality of any of the disclosures set forth herein. The memorandum of understanding stipulates that the parties will enter into a stipulation of settlement. The stipulation of settlement will be subject to customary conditions, including court

approval following notice to the Company's stockholders. In the event that the parties enter into a stipulation of settlement, a hearing will be scheduled at which the Court will consider the fairness, reasonableness, and adequacy of the settlement. If the settlement is finally approved by the Court, it is anticipated that it will resolve and release all claims in all actions that were or could have been brought challenging any aspect of the Merger, the Merger Agreement, and any disclosure made in connection therewith (but excluding claims for appraisal under Section 262 of the Delaware General Corporation Law). In addition, in connection with the settlement, the parties contemplate that plaintiffs' counsel will file a petition before the Court for an award of attorneys' fees and expenses to be paid by Fortegra or its successor, which the defendants may oppose. There can be no assurance that the parties will ultimately enter into a stipulation of settlement or that the Court will approve the settlement even if the parties were to enter into such stipulation. In such event, the proposed settlement as contemplated by the memorandum of understanding may be terminated.

SUPPLEMENT TO DEFINITIVE INFORMATION STATEMENT

In connection with the settlement of certain outstanding stockholder suits as described in this Form 8-K, the Company has agreed to make these supplemental disclosures to the Definitive Information Statement. This supplemental information should be read in conjunction with the entirety of the Definitive Information Statement. Defined terms used but not defined herein have the meanings set forth in the Definitive Information Statement.

Background of the Merger

The following disclosure supplements and restates the first paragraph on page 17 of the Definitive Information Statement:

As part of its ongoing oversight and management of the Company, our Board of Directors, together with the senior management of the Company, regularly reviews and evaluates the Company's business, operations, financial performance, competitive environment, trends and changes in the insurance services industry, and strategic opportunities and risks, with a view to maximizing stockholder value. At various times over the last three years, our Board has considered the possible sale of the Company and other strategic alternatives for delivering value to our stockholders, due, in part, to the Board's belief that the market undervalued the Company's stock as a result of, among other things, low trading volume and concerns over uncertainty in the Company's regulatory environment.

In mid-2011, our Board engaged J.P. Morgan Securities, LLC to serve as its financial adviser to explore interest in a possible sale of the Company, and contacted more than 25 potentially interested parties, and entered into non-disclosure agreements with 17 of them. Tiptree was not identified during that process as a potentially interested buyer and did not participate in that process. Fortegra management met with 15 of the potential buyers to provide an overview of the business and respond to high level questions on the business model and strategy. The remaining two parties that had originally expressed interest decided to forego the opportunity before meeting with management. In August 2011, shortly before the initial bids were due, Fortegra released earnings that were significantly lower than expected resulting in a decrease in our closing stock price. After the stock

price decrease, five of these potential buyers expressed interest to continue into the second round of the process by either submitting a non-binding indication of interest or communicating a verbal expression of interest. The Board determined that none of the expressions of interest were favorable enough to move forward because the indicative price was either too low or the equity capital was not certain.

In late 2012 and early 2013, our Board re-engaged J.P. Morgan Securities, LLC as financial adviser to consider the merits of a proposal by a potential investor, but the Board ultimately determined, after a protracted process, that the investor did not have the ability to consummate a transaction.

In mid-2013, following a review of strategic alternatives our Board determined to move forward with the sale of our Bliss & Glennon and eReinsure subsidiaries to streamline the Company's operations, focus on the Company's core operations and pay down a significant portion of the Company's bank debt. The sale was concluded to AmWINS Group on December 31, 2013 for \$83.5 million, and the Company used the proceeds of that sale to pay down \$77.5 million in principal amount of bank debt.

In addition, at various times in 2013, the Company engaged in discussions with a potential strategic buyer regarding a potential merger. The potential buyer indicated that it would be interested in purchasing the Company by offering an aggregate consideration that the buyer valued at \$11.00 per share, comprised of \$7.70 per share in cash and a number of shares of common stock in the buyer that the buyer valued at \$3.30 per share. The potential buyer also indicated that it would require additional financing in order to fund the acquisition, and that the value of its common stock would be fixed at the signing of the transaction. By early 2014 it became apparent that weaknesses and negative trends in that potential strategic buyer's business made the buyer's ability to finance the transaction uncertain and the equity consideration less desirable. As a result, the Company did not further pursue a merger with that potential buyer.

In early 2014, Mr. Carroll, Summit's managing director and a director of Fortegra, communicated to the Board that Summit would prefer to have a liquidity event if an acceptable price level could be achieved and stockholder value could be maximized.

The following disclosure supplements the second paragraph on page 17 of the Definitive Information Statement:

In February 2014, Mr. Kahlbaugh expressed interest in participating in a transaction to take Fortegra private. No formal proposal was ever made as Mr. Kahlbaugh did not pursue any such transaction.

The following disclosure supplements the discussion in the third paragraph of page 17 of the Definitive Information Statement concerning the non-disclosure agreements entered into with potential buyers:

The standstill provisions in the non-disclosure agreements terminated upon the execution of the Merger Agreement.

The following disclosure supplements the discussion in the first paragraph of page 18 of the Definitive Information Statement concerning Tiptree:

Tiptree is not an affiliate of Summit and has not conducted any business with Summit since January 1, 2013.

The following disclosure supplements the fourth paragraph on page 18 of the Definitive Information Statement concerning the engagement of an investment banking firm to advise the Board of Directors:

The Board's decision regarding which investment banking firm was engaged was based on the reputation and past experience in the insurance industry of each of the firms, interviews conducted by directors and the actual experiences of directors with the firms. The Board was aware that certain affiliates of Willis Capital Markets & Advisory had acted as insurance brokers for various subsidiaries of the Company, and had received customary insurance brokerage commissions in each of the last two years that amounted over the two years to approximately \$34,300 in the aggregate, which was considered immaterial to the Board's decision to hire the firm. The Board was also aware that Mr. Kahlbaugh's daughter had applied for and was being considered for a summer internship at Willis Capital Markets & Advisory in May 2014.

The following disclosure supplements the fifth full paragraph on page 19 of the Definitive Information Statement:

Fortegra included in the financial information provided to potential bidders projected EBITDA from its non-insurance operating subsidiaries as well as projected available dividends from its statutory insurance companies, including information that showed projected free cash flow for 2019 estimated at \$28.8 million. This information was also posted to the online data room that was available to all potential bidders then participating in the sales process.

The following disclosure supplements the disclosure in the carry-over paragraph at the top of page 20 of the Definitive Information Statement:

In assessing the desirable composition of the Special Committee, the Board considered the possibility (subsequently unrealized) that, based on comparable historical transactions, Summit and Mr. Kahlbaugh might potentially participate in a desirable transaction.

The following disclosure supplements the first full paragraph on page 20 of the Definitive Information Statement:

Subsequent to his departure from Summit, Mr. Kardwell, the Chairman of the Special Committee, retained a carried interest in Summit's portfolio of companies, thereby retaining an indirect equity interest in Fortegra. Mr. Kardwell's independence was reviewed annually by the Board in accordance with its standard practice and NYSE corporate governance standards for listed companies. In May 2013, the Board did not determine that Mr. Kardwell was independent from the Company, primarily as a result of his employment by Summit. In May 2014, the Board determined

that Mr. Kardwell was independent, noting that he had not been employed by Summit since May 2013.

The following disclosure supplements the second paragraph on page 21 of the Definitive Information Statement:

The five other potentially interested parties were encouraged to continue to participate in the sales process, but did not give specific reasons for not submitting final, non-binding indications of interest or for declining further participation. Each of the proposals that were submitted contained a brief preliminary description of how Fortegra would be integrated with each potential buyer and its proposed governance structure.

The following disclosure supplements the second paragraph on page 21 of the Definitive Information Statement:

Although each of the prospective buyers indicated in their nonbinding proposals that they contemplated some amount of rollover of equity by members of Fortegra management, none of the proposals required such rollover, and there is no formal arrangement or requirement for Fortegra management to roll over any equity. In fact, all Fortegra management have the right to liquidate all of their equity in the transaction.

The following disclosure supplements the disclosure on page 25 of the Definitive Information Statement:

Although not required by the terms of the Merger Agreement, it is anticipated that several members of Fortegra management, including Mr. Kahlbaugh, will remain in place to manage the business after the acquisition in substantially the same roles. Mr. Kahlbaugh will resign as Chairman of the Board but will serve on a three person executive committee, along with two Tiptree executives, charged with management of Fortegra.

The following disclosure supplements the disclosure on page 25 of the Definitive Information Statement:

Tiptree has not conducted business with Summit during the past two years.

Opinion of Fortegra's Financial Advisor

The following disclosure supplements and restates the disclosure on page 35 of the Definitive Information Statement regarding the Selected Public Companies Analysis undertaken by Willis Capital Markets & Advisory, restating the first paragraph of the section entitled "Selected Public Companies Analysis" as follows:

Selected Public Companies Analysis. Willis Capital Markets & Advisory reviewed publicly available financial and stock market information for Fortegra and ten publicly traded insurance carriers, which, in Willis Capital Markets & Advisory's professional judgment and experience, are comparable in certain material respects to Fortegra based on, among other things, that the companies

operated in the insurance underwriting business and sell insurance products directly or indirectly to individuals.

In considering the selected public companies, Willis Capital Markets & Advisory concluded that there are no publicly traded companies directly comparable to Fortegra. Accordingly, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading, transaction, or other values of the companies and transactions to which Fortegra was compared. Willis Capital Markets & Advisory reviewed selected financial and stock market information of Fortegra and the following 10 selected publicly traded insurance carriers:

The following disclosure supplements the disclosure on page 35 of the Definitive Information Statement regarding the Selected Public Companies Analysis undertaken by Willis Capital Markets & Advisory, to be inserted immediately prior to the chart at the bottom of page 35:

Company	Price / 2015 Estimated Earnings per Share	Price / Book Value per Share
Assurant, Inc.	9.6x	0.99x
CNO Financial Group, Inc.	11.6x	0.91x
FBL Financial Group, Inc.	10.8x	1.14x
Genworth Financial, Inc.	8.3x	0.42x
Kansas City Life Insurance Company	N/A	0.68x
Primerica, Inc.	12.6x	2.26x
StanCorp Financial Group, Inc.	11.3x	1.30x
Symetra Financial Corporation	11.8x	1.08x
Torchmark Corporation	11.8x	1.08x
Unum Group	8.9x	1.02x

The following disclosure supplements the disclosure on page 35 of the Definitive Information Statement regarding the Selected Public Companies Analysis undertaken by Willis Capital Markets & Advisory, to be inserted immediately following the first sentence of the last paragraph on page 35:

Willis Capital Markets & Advisory, in its professional judgment and experience, applied 2015 estimated EPS multiples ranging from 8.0x to 10.0x. In determining a 2015 estimated EPS multiple range of 8.0x to 10.0x, Willis Capital Markets & Advisory, applying its professional judgment and experience, considered, among other things, Fortegra's operations, business risks, regulatory requirements, market capitalization, and liquidity needs and resources.

The following disclosure supplements the disclosure on page 36 of the Definitive Information Statement regarding the Selected Public Companies Analysis undertaken by Willis Capital Markets & Advisory, to be inserted immediately following the first chart at the top of page 36:

Willis Capital Markets & Advisory did not consider multiples in connection with last twelve months EPS in this analysis as a result of Fortegra's divestiture of its wholesale brokerage subsidiary, Bliss & Glennon, in late 2013, which made Fortegra's last twelve months EPS not relevant to Willis Capital Markets & Advisory's analysis.

The following disclosure supplements the disclosure beginning on page 36 of the Definitive Information Statement regarding the Discounted Cash Flow Analysis undertaken by Willis Capital Markets & Advisory, to be inserted after the second sentence in the paragraph that begins "Discounted Cash Flow Analysis":

Willis Capital Markets & Advisory, in its professional judgment and experience, applied terminal value multiples ranging from 1.00x to 1.20x to consolidated shareholder equity upon considering, among other things, Fortegra's operations, business risks, regulatory requirements, market capitalization and liquidity needs and resources.

The following disclosure supplements the disclosure beginning on page 36 of the Definitive Information Statement regarding the Discounted Cash Flow Analysis undertaken by Willis Capital Markets & Advisory, to be inserted after the third sentence in the paragraph that begins "Discounted Cash Flow Analysis":

In selecting this discount range, Willis Capital Markets & Advisory performed a weighted average cost of capital analysis for Fortegra and selected whole integral numbers both below and above Fortegra's calculated weighted average cost of capital.

The following disclosure supplements and restates the disclosure on page 36 of the Definitive Information Statement regarding the Selected Precedent Transactions Analysis undertaken by Willis Capital Markets & Advisory, restating the first paragraph entitled "Selected Precedent Transactions Analysis" as follows:

Selected Precedent Transactions Analysis. Willis Capital Markets & Advisory reviewed, to the extent publicly available, financial information relating to 17 selected transactions. Willis Capital Markets & Advisory, in its professional judgment and experience, deemed the target companies in these selected transactions comparable in certain material respects to Fortegra based on, among other things, that the target companies operated in the insurance underwriting business and sell insurance products directly or indirectly to individuals.

In considering the selected precedent transactions, Willis Capital Markets & Advisory concluded that there are no transactions involving companies directly comparable to Fortegra. Accordingly, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the value of transactions, or other values of transactions, to which Fortegra was compared.

Willis Capital Markets & Advisory reviewed publicly available financial information for the following 17 selected transactions announced between January 1, 2007 and August 11, 2014 involving insurance companies:

The following disclosure supplements the disclosure on page 36 of the Definitive Information Statement regarding the Selected Precedent Transactions Analysis undertaken by Willis Capital Markets & Advisory, to be inserted immediately prior to the last sentence in the last paragraph on page 36:

Willis Capital Markets & Advisory, in its professional judgment and experience, concluded certain last twelve months and next twelve months EPS multiples yielded from certain of the selected precedent transactions were not meaningful as they varied significantly from those of other precedent transactions because of factual circumstances that Willis Capital Markets & Advisory considered less relevant to the Fortegra transaction.

The following disclosure supplements the disclosure on page 37 of the Definitive Information Statement regarding the Selected Precedent Transactions Analysis undertaken by Willis Capital Markets & Advisory, to be inserted immediately following the first sentence in the first paragraph on page 37:

Willis Capital Markets & Advisory, in its professional judgment and experience, applied next twelve months EPS multiples ranging from 10.0x to 12.0x. In determining a next twelve months EPS multiple range of 10.0x to 12.0x, Willis Capital Markets & Advisory considered, among other things, Fortegra's operations, business risks, regulatory requirements, market capitalization, and liquidity needs and resources.

Opinion of Fortegra's Financial Advisor - Miscellaneous

The following disclosure supplements the disclosure on page 37 of the Definitive Information Statement:

Fortegra paid Willis Capital Markets & Advisory \$300,000 of its fee upon delivery of its opinion. The remainder of the fee to Willis Capital Markets & Advisory will be payable contingent upon the closing of the Merger. The Company is not obligated to and does not currently anticipate paying any additional or discretionary fee to Willis Capital Markets & Advisory in connection with its engagement.

Affiliates of Willis Capital Markets & Advisory include some of the leading insurance brokerage firms in the industry, and such affiliates regularly provide insurance brokerage services to customers in return for a customary insurance commission. Both Fortegra and Tiptree have engaged such affiliates from time to time to assist in procuring insurance policies for their businesses. The aggregate amount of such brokerage commissions paid by Fortegra and its affiliates to affiliates of Willis Capital Markets & Advisory over the last two years amounted to approximately \$34,300, and the aggregate amount of such brokerage commissions paid by Tiptree and its affiliates to affiliates of Willis Capital Markets & Advisory since January 1, 2012 amounts to \$187,710.98.

Forward-Looking Statements:

Certain statements herein are "forward-looking statements". Such forward-looking statements reflect the Company's current expectations or beliefs concerning future events and actual events may differ materially from historical results or current expectations. Any such forward-looking statements

relating to the Merger are subject to various risks and uncertainties, including uncertainties as to the timing of the Merger, the possibility that alternative acquisition proposals will or will not be made, the possibility that various closing conditions for the Merger may not be satisfied or waived and the possibility that Parent, Holdings and Merger Sub will be unable to obtain sufficient funds to close the Merger. Any such forward-looking statements relating to our business are subject to various risks and uncertainties, including the strength of the economy, changes in the overall level of consumer spending, labor costs or our ability to compete with other supermarkets, the parties' ability to consummate the proposed transaction on the contemplated timeline, availability of suitable store locations at appropriate terms and other factors which are set forth in the Company's most recent Form 10-K filed with the SEC on March 14, 2014 and in all filings with the SEC made by the Company subsequent to the filing of that Form 10-K. The Company does not undertake to publicly update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

Additional Information and Where to Find It:

In connection with the proposed transaction, the Company filed the Definitive Information Statement on Schedule 14C on September 30, 2014 and other related materials with the SEC. The Definitive Information Statement was first mailed to the stockholders of the Company on or about September 30, 2014. **INVESTORS AND SECURITY HOLDERS OF THE COMPANY ARE URGED TO READ THE DEFINITIVE INFORMATION STATEMENT, ALL RELATED SUPPLEMENTS AND AMENDMENTS (IF ANY AND WHEN THEY BECOME AVAILABLE) AND ALL OTHER RELATED MATERIALS CAREFULLY BECAUSE THEY CONTAIN (AND WILL CONTAIN) IMPORTANT INFORMATION ABOUT THE MERGER AND RELATED MATTERS.** Investors and security holders may obtain free copies of the Definitive Information Statement (and other related materials when they become available) and other documents filed or furnished to the Securities and Exchange Commission by the Company at the Securities and Exchange Commission's website at <http://www.sec.gov>. The contents of the websites referenced above are not deemed to be incorporated by reference into the information statement.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Fortegra Financial Corporation

Date: October 14, 2014

By: /s/ Christopher D. Romaine

Name: Christopher D. Romaine

Title: Senior Vice President, General Counsel and Secretary