FMG ACQUISITION CORP
Form S-4/A
September 02, 2008

As filed with the Securities and Exchange Commission on September 2, 2008

Registration No. 333-150327

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

AMENDMENT NO. 5
TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

FMG ACQUISITION CORP.
(Exact name of registrant as specified in its charter)

Delaware	**6770**	**75-3241964**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

Four Forest Park, Second Floor
Farmington, Connecticut 06032
(860) 677-2701

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Gordon G. Pratt
Chairman, President and
Chief Executive Officer
Four Forest Park, Second Floor
Farmington, Connecticut 06032
(860) 677-2701

(Name, address including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective and all other conditions to the merger contemplated by the merger agreement described in the enclosed proxy statement/prospectus have been satisfied or waived.

If any of the securities being registered on this form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o _____ :

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o _____ .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer o Accelerated filer o

Non-accelerated filer o Smaller reporting company x

CALCULATION OF REGISTRATION FEE

Title of Each Class of Security to Be Registered	Amount Being Registered	Proposed Maximum Offering Price Per Security(1)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock (2)	8,750,000	$ 8.00	$ 70,000,000	$ 2,751
Warrants (3)	1,093,750	(4)	(4)	(4)
Common Stock underlying the Warrants	1,093,750	$ 6.00	$ 6,562,500	$ 258
Warrants (5)	212,877	(4)	(4)	(4)
Common Stock underlying the Warrants	212,877	$ 6.00	$ 1,277,262	$ 50
Common Stock (6)	212,877	$ 8.00	$ 1,703,016	$ 67
Total Fee			$	3,126 (7)

(1) Based on the market price of the common stock for the purpose of calculating the registration fee pursuant to Rule 457(f)(1).

(2) Represents 8,750,000 shares of common stock to be issued to members of United Insurance Holdings, L.C. in exchange for their membership units.

(3) Represents 1,093,750 warrants to be issued to members of United Insurance Holdings, L.C. in exchange for their membership units.

(4) No fee pursuant to Rule 457(g).

(5) Represents up to 212,877 warrants which may be issued to members of United Insurance Holdings, L.C. as additional consideration in exchange for their membership units, as described more particularly herein.

(6) Represents up to 212,877 shares of common stock which may be issued to members of United Insurance Holdings, L.C. as additional consideration in exchange for their membership units, as described more particularly herein.

(7) Previously paid.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this proxy statement/prospectus is not complete and may be changed. We may not sell these securities until the Securities and Exchange Commission declares our registration statement effective. This proxy statement/prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION DATED SEPTEMBER 2, 2008

PROXY STATEMENT FOR SPECIAL MEETING OF STOCKHOLDERS
AND PROSPECTUS FOR UP TO 8,962,877 SHARES OF COMMON STOCK AND UP TO 1,306,627 COMMON STOCK PURCHASE WARRANTS OF
FMG ACQUISITION CORP.

Proxy Statement/Prospectus dated September [ ], 2008
and first mailed to stockholders on or about September [ ], 2008

We are pleased to announce the boards of directors of FMG Acquisition Corp. ("FMG" or the "Company"), United Insurance Holdings, L.C., ("United") and United Subsidiary Corp., a newly-incorporated Florida corporation and a wholly-owned subsidiary of FMG ("United Subsidiary"), have agreed to the purchase of all of the membership units of United by FMG, and to effect a merger whereby United Subsidiary will merge with and into United, with United surviving as a wholly-owned subsidiary of FMG. We are sending you this document to ask for your vote for the approval and adoption of this transaction, as well as for the approval and adoption of several related proposals.

On April 2, 2008, the Company entered into an Agreement and Plan of Merger, as amended and restated as of August 15, 2008 (the "Merger Agreement") pursuant to which United Subsidiary agreed to merge with and into United, and United agreed, subject to receipt of the merger consideration from FMG, to become a wholly-owned subsidiary of FMG (the "Merger"). If the stockholders of the Company approve the transactions contemplated by the Merger Agreement, FMG, through United Subsidiary, which was newly incorporated in order to facilitate the Merger, will merge pursuant to a merger transaction summarized as follows:

- FMG has formed a transitory merger subsidiary, United Subsidiary Corp., and will merge such subsidiary with and into United, with United surviving and United will, as a result, become wholly-owned by FMG.

United's members will receive consideration from FMG for their membership units of up to $104,316,270 consisting of:

- $25,000,000 in cash;
- 8,750,000 shares of FMG common stock, par value $.0001 per share (assuming an $8.00 per share value);
- up to $5,000,000 of additional consideration which will be paid to the members of United in the event certain net income targets are met by United, as set forth more particularly herein;
- 1,093,750 newly issued common stock purchase warrants identical in all respects to the warrants issued in the Company's initial public offering;
- up to an additional 212,877 newly issued common stock purchase warrants identical in all respects to the warrants issued in the Company's initial public offering; and
- up to an additional 212,877 shares of FMG common stock.

Our units, common stock and warrants are traded on the OTC Bulletin Board under the symbols FMGQU, FMGQ and FMGQW, respectively. On August 29, 2008, our units, common stock and warrants had a closing price of $8.20, $7.60 and $0.59, respectively. The registration statement of which this proxy statement/prospectus is a part relates to the offering by FMG of up to 8,962,877 shares of FMG common stock and up to 1,306,627 warrants, each exercisable to purchase one share of FMG common stock.

The Board of Directors of the Company has fixed the close of business on September [ ], 2008, as the record date (the "Record Date") for the determination of stockholders entitled to notice of and to vote at the Special Meeting and at any adjournment thereof.

IF YOU RETURN YOUR PROXY CARD WITHOUT AN INDICATION OF HOW YOU DESIRE TO VOTE, YOU WILL NOT BE ELIGIBLE TO HAVE YOUR STOCK CONVERTED INTO A PRO RATA PORTION OF THE TRUST ACCOUNT IN WHICH A SUBSTANTIAL PORTION OF OUR IPO NET PROCEEDS ARE HELD. YOU MUST AFFIRMATIVELY VOTE AGAINST THE MERGER PROPOSAL AND DEMAND WE CONVERT YOUR STOCK INTO CASH NO LATER THAN THE VOTE ON THE MERGER PROPOSAL TO EXERCISE YOUR CONVERSION RIGHTS. IN ORDER TO CONVERT YOUR SHARES OF COMMON STOCK, YOU MUST ALSO PRESENT OUR STOCK TRANSFER AGENT WITH YOUR PHYSICAL STOCK CERTIFICATE AT OR PRIOR TO THE SPECIAL MEETING. SEE "SPECIAL MEETING OF STOCKHOLDERS—CONVERSION RIGHTS" FOR MORE SPECIFIC INSTRUCTIONS.

SEE THE "RISK FACTORS" BEGINNING ON PAGE 24 FOR A DISCUSSION OF VARIOUS FACTORS YOU SHOULD CONSIDER IN CONNECTION WITH THE MERGER.

Enclosed is our Notice of Special Meeting and proxy statement and proxy card. Your vote is very important. Whether or not you plan to attend the Special Meeting, please take the time to vote by marking your vote on your proxy card, signing and dating the proxy card, and returning it to us in the enclosed envelope. The Special Meeting will be held at 10:00 am on at . **The Company's Board of Directors unanimously recommends Company stockholders vote FOR approval and adoption of the Merger Agreement, as well as all other proposals contained herein.**

Very truly yours,

Gordon G. Pratt
Chairman, President and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if the attached proxy statement/ prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

UNTIL , 2008, ALL DEALERS THAT EFFECT TRANSACTIONS IN THESE SECURITIES, WHETHER OR NOT PARTICIPATING IN THIS OFFERING, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS IS IN ADDITION TO THE DEALERS' OBLIGATION TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

FMG ACQUISITION CORP.
Four Forest Park
Farmington, Connecticut 06032

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON , 2008

TO THE STOCKHOLDERS OF FMG ACQUISITION CORP.:

NOTICE IS HEREBY GIVEN that a special meeting of stockholders ("Special Meeting") of FMG Acquisition Corp., a Delaware corporation ("FMG" or the "Company"), relating to the proposed acquisition of all of the issued and outstanding membership units of United Insurance Holdings, L.C., will be held at 10:00 a.m. Eastern Time, on _____, 2008, at the offices of _____.

At the Special Meeting, you will be asked to consider and vote upon the following:

- The Merger Proposal—the proposed acquisition of all of the issued membership units of United Insurance Holdings, L.C., a Florida limited liability company, pursuant to the Agreement and Plan of Merger, dated as of April 2, 2008, as amended and restated on August 15, 2008, by and among the Company, United and United Subsidiary, and the transactions contemplated thereby ("Proposal 1" or the "Merger Proposal");

- The First Amendment Proposal—the amendment to the Company's amended and restated certificate of incorporation (the "First Certificate of Incorporation Amendment"), to remove certain provisions containing procedural and approval requirements applicable to the Company prior to the consummation of the business combination that will no longer be operative following consummation of the Merger ("Proposal 2" or the "First Amendment Proposal");

- The Second Amendment Proposal—the amendment to the Company's amended and restated certificate of incorporation (the "Second Certificate of Incorporation Amendment"), to increase the amount of authorized shares of common stock from 20,000,000 to 50,000,000 ("Proposal 3" or the "Second Amendment Proposal");

- The Third Amendment Proposal—the amendment to the Company's amended and restated certificate of incorporation (the "Third Certificate of Incorporation Amendment"), to change the name of the Company to United Insurance Holdings Corp. ("Proposal 4" or the "Third Amendment Proposal");

- The Director Proposal—to elect three (3) directors to the Company's Board of Directors nominated by United pursuant to the Merger Agreement to hold office until their successors are elected and qualified ("Proposal 5" or the "Director Proposal");

- The Adjournment Proposal—to consider and vote upon a proposal to adjourn the Special Meeting to a later date or dates, if necessary, to permit further solicitation and vote of proxies in the event that, based upon the tabulated vote at the time of the Special Meeting, the Company would not have been authorized to consummate the Merger ("Proposal 6" or the "Adjournment Proposal"); and

- such other business as may properly come before the meeting or any adjournment or postponement thereof.

These proposals are described in the attached proxy statement/prospectus which the Company urges you to read in its entirety before voting. The Board of Directors of the Company has fixed the close of business on , 2008, as the record date (the "Record Date") for the determination of stockholders entitled to notice of and to vote at the Special Meeting and at any adjournment thereof.

As described more fully in the attached proxy statement/prospectus, FMG has entered into (1) a private placement with various accredited investors for the purchase of its 11% promissory notes (the "Notes") and (2) an exchange offer made available to certain institutional holders of FMG common stock wherein such holders will be permitted to exchange their shares of common stock for the Notes. FMG expects to use the cash proceeds from the private placement (approximately $10,000,000), combined with its cash on hand reserved for stockholders that may exercise their conversion rights (approximately $11,200,000), and if necessary, up to $5,500,000 of cash on hand from United to commence a tender offer for the purchase of up to 3,320,762 shares of its common stock at a price of $8.05 per share. The maximum number of shares FMG may purchase in the tender offer will be reduced by the number of shares for which conversion rights are exercised. The tender offer began on August 29, 2008 and ends at 5:00 PM Eastern Daylight Time on September 29, 2008. However, if FMG stockholders do not approve Proposals 1, 2, 3 and 5, or if either of the Merger or the private placement do not close, FMG will not close the tender offer. For a description of the tender offer, please see the section entitled "Tender Offer."

Your vote is important. Please sign, date and return your proxy card as soon as possible to make sure your shares are represented at the Special Meeting. If you are a stockholder of record of the Company's common stock, you may also cast your vote in person at the Special Meeting. If your shares are held in an account at a brokerage firm or bank, you must instruct your broker or bank on how to vote your shares.

The Board of Directors of FMG Acquisition Corp. unanimously recommends you vote "FOR" Proposal 1, the Merger Proposal; "FOR" Proposal 2, the First Amendment Proposal; "FOR" Proposal 3, the Second Amendment Proposal; "FOR" Proposal 4, the Third Amendment Proposal; "FOR" Proposal 5, the Director Proposal; and "FOR" Proposal 6, the Adjournment Proposal.

By Order of the Board of Directors,

Gordon G. Pratt
Chairman of the Board, President and Chief Executive Officer
, 2008

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QUESTIONS AND ANSWERS ABOUT THE PROPOSALS

Unless the context requires otherwise, the terms "FMG," "we," "us," "our" and "the Company" refer to FMG Acquisition Corp

Why am I receiving this proxy statement?

You are receiving this proxy statement because you are a stockholder of FMG. FMG, United and United Subsidiary have agreed to a business transaction under the terms of an Agreement and Plan of Merger dated April 2, 2008, as amended and restated on August 15, 2008 (the "Merger Agreement"), pursuant to which FMG will purchase all of the membership units of United. A copy of the Merger Agreement is attached to this proxy statement/prospectus as Annex A, which we encourage you to review in its entirety. The Merger is structured such that United will become wholly-owned by FMG in a series of steps as outlined below. FMG and United will merge pursuant to a merger transaction summarized as follows:

- FMG will create a transitory merger subsidiary, United Subsidiary Corp., and will merge such subsidiary with and into United, with United surviving; and
- United will, as a result, become wholly-owned by FMG.

United's members will receive consideration from FMG for their membership units of up to $104,316,270 consisting of:

- $25,000,000 in cash;
- 8,750,000 shares of FMG common stock, par value $.0001 per share (assuming an $8.00 per share value);
- up to $5,000,000 of additional consideration which will be paid to the members of United in the event certain net income targets are met by United, as set forth more particularly herein;
- 1,093,750 newly issued common stock purchase warrants identical in all respects to the warrants issued in the Company's IPO;
- up to an additional 212,877 newly issued common stock purchase warrants identical in all respects to the warrants issued in the Company's IPO; and
- up to an additional 212,877 shares of FMG common stock.

In order to consummate the Merger, a majority of the shares issued in the IPO voting at the meeting (whether in person or by proxy) must vote to approve and adopt the Merger Agreement and the transactions contemplated thereby. Further, the Merger may not be consummated if more than 29.99% of such shares vote against the Merger and elect to convert their shares to cash from the trust account established with the proceeds of our IPO.

The Company will hold a Special Meeting of its stockholders to obtain these approvals. In connection with the Merger, this proxy statement/prospectus contains important information about the proposed Merger, the proposed First Certificate of Incorporation Amendment, the proposed Second Certificate of Incorporation Amendment, the proposed Third Certificate of Incorporation Amendment and the Director Proposal.

This proxy statement/prospectus also contains important information about the proposed Director election and proposed Adjournment. You should read it carefully; in particular the section entitled "Risk Factors."

Your vote is important. We encourage you to vote as soon as possible after carefully reviewing this proxy statement.

What is being voted on?

There are six proposals on which you are being asked to vote. The first proposal is to approve the Merger among FMG, United and United Subsidiary and the transactions contemplated thereby.

The second proposal is to approve the First Amendment to our Certificate of Incorporation to remove certain provisions that are specific to blank check companies. This proposal is conditioned upon approval of the Merger Proposal.

The third proposal is to approve the Second Amendment to our Certificate of Incorporation to increase the amount of authorized shares of common stock from 20,000,000 to 50,000,000. This proposal is conditioned upon approval of the Merger Proposal.

The fourth proposal is to approve the Third Amendment to our Certificate of Incorporation to change the name of the Company to United Insurance Holdings Corp. This proposal is conditioned upon approval of the Merger Proposal.

The fifth proposal is to elect additional members to the Company's Board of Directors nominated by United. We have nominated the Class B directors (consisting of Messrs. Gregory C. Branch, Alec L. Poitevint, II and Kent G. Whittemore) for election. Under the Merger Agreement, United has the right to nominate, and the Company has agreed to cause the appointment and election of, the foregoing three additional members to the Board of Directors of FMG. If the Merger is approved, then the directors of FMG will be Gregory C. Branch, Alec L. Poitevint, II, Gordon G. Pratt, Larry G. Swets, Jr., Kent G. Whittemore and James R. Zuhlke. In the event the fifth proposal is approved by the stockholders, two of the Company's current directors, Thomas D. Sargent and David E. Sturgess, will immediately resign from the Board of Directors upon consummation of the Merger. This proposal is conditioned upon approval of the Merger Proposal.

The sixth proposal is to approve the adjournment of the Special Meeting to a later date or dates, if necessary, to permit further solicitation and vote of proxies in the event that, based upon the tabulated vote at the time of the Special Meeting, the Company would not have been authorized to consummate the Merger.

It is important for you to note that in the event the Merger Proposal does not receive the necessary vote to approve such proposal, then the Company will not consummate the Merger or be permitted to implement the First, Second or Third Amendment or director proposals.

Are the proposals conditioned on one another?

Yes. Proposals 2, 3 and 5 are all conditioned upon approval of Proposal 1, The Merger Proposal, and consummation of the Merger is conditioned on Proposals 1, 2, 3 and 5 being approved in accordance herewith.

What happens if I vote against the Merger?

Each Company stockholder as of the Record Date has the right to vote against the Merger Proposal and, at the same time, demand the Company convert such stockholder's shares into cash equal to a pro rata portion of the trust account. These shares will be converted into cash only if a stockholder votes against the Merger Proposal, affirmatively elects to have its shares of common stock converted and such Merger is consummated. Based upon the amount of cash held in the trust account as of June 30, 2008, without taking into account any interest or income taxes accrued after such date, stockholders who vote against the Merger Proposal and elect to convert such stockholder's shares as described above will be entitled to convert each share of common stock it holds into approximately $7.91 per share (after a provision for payment of working capital costs and taxes). However, if the holders of 1,419,615 or more shares of common stock issued in the Company's IPO (an amount equal to 29.99% of the total number of shares issued in the

IPO) vote against the Merger and demand conversion of their shares into a pro rata portion of the trust account, then the Company will not be able to consummate the Merger and, assuming the Company is not able to consummate another business combination by October 4, 2009, stockholders will only receive cash upon the liquidation of the Company. Furthermore, if more than 29.99% of the total number of shares issued in the IPO vote against the Merger Proposal, the Merger will not occur.

Why is FMG proposing to enter into the private placement?

Pursuant to the terms of a note purchase agreement between FMG and various accredited investors, FMG will issue promissory notes having a face value of $18,279,570 (the "Notes"), as soon as practicable following the Special Meeting (assuming Proposals 1, 2, 3 and 5 are approved). The Company will pay interest on the Notes at 11% per annum and the maturity date of the Notes will be three years from the date of issuance. This transaction is referred to herein as the private placement. FMG intends to use the proceeds from the private placement to commence a tender offer for the purchase of its common stock, which such tender offer commenced on August 29, 2008 and ends at 5:00 PM Eastern Daylight Time on September 29, 2008, at a price of $8.05 per share. If FMG stockholders do not approve Proposals 1, 2, 3 and 5, FMG will not close the private placement and will withdraw the tender offer. For a description of the tender offer, please see the section entitled "Tender Offer."

When do you expect the private placement to be completed?

It is currently anticipated that the transactions and actions contemplated by the note purchase agreement will be completed as soon as practicable following the Special Meeting.

Why is FMG proposing to enter into the exchange offer?

An exchange offer was made available to certain institutional holders of FMG common stock wherein such holders agreed to exchange their shares of common stock for the Notes. FMG will exchange 869,565 shares of FMG common stock owned by these stockholders (equal to 18.4% of FMG's common stock issued in the IPO) into Notes having a face value of $7,526,882, as soon as practicable following the Special Meeting (assuming Proposals 1, 2, 3 and 5 are approved). This transaction is referred to herein as the exchange offer. FMG's management believes that the exchange offer will enhance the likelihood of stockholder approval of Proposals 1, 2, 3 and 5. If FMG stockholders do not approve Proposals 1, 2, 3 and 5, or the private placement does not close, the exchange offer will not close.

Who can participate in the exchange offer?

The securities that the Company will issue in the exchange offer will not be registered under the Securities Act. Accordingly, the exchange offer was limited to sophisticated investors defined as "accredited investors" or "qualified institutional buyers" under U.S. securities laws.

When do you expect the exchange offer to be completed?

It is currently anticipated that the transactions and actions contemplated by the exchange offer will be completed as soon as practicable following the Special Meeting.

What effect will the private placement and exchange offer have on the capital structure and control of FMG?

The Notes FMG intends to issue in the private placement and exchange offer will not be convertible into shares of FMG common stock. Accordingly, holders of the Notes will not be permitted to vote on matters brought before FMG stockholders. However, the note purchase agreement will include negative covenants, which will restrict the Company from engaging in certain activities, as more particularly described herein.

What is the tender offer?

On August 29, 2008, FMG commenced a tender offer to purchase up to 3,320,762 shares of its common stock (reduced by the number of shares for which conversion is elected), representing approximately 70.2% of FMG's common stock issued in the IPO, at $8.05 per share, payable in cash. The tender offer will offer liquidity to FMG's stockholders at $8.05 per share, regardless of the then-current market price per share, subject to proration if the tender offer is oversubscribed. Assuming the maximum number of shares are tendered, the aggregate purchase price for the shares of common stock of FMG purchased in the tender offer will be approximately $26,732,134. If FMG stockholders do not approve Proposals 1, 2, 3 and 5, or if either of the private placement or the Merger does not close, FMG will not consummate the tender offer. For a more detailed discussion of the tender offer, see the section entitled "The Tender Offer."

What is the source of funds for the tender offer?

FMG expects to use the cash proceeds from the private placement (approximately $10,000,000) combined with its cash on hand reserved for stockholders that may exercise their conversion rights (approximately $11,200,000) and if

necessary, up to $5,500,000 of cash on hand from United to commence a tender offer for the purchase of up to 3,320,762 shares of its common stock at a price of $8.05 per share. The maximum number of shares we may purchase in the tender offer shall be reduced by the number of shares for which conversion rights are exercised. The tender offer began on August 29, 2008 and ends at 5:00 PM Eastern Daylight Time on September 29, 2008. However, if FMG stockholders do not approve Proposals 1, 2, 3 and 5, or if either of the private placement or the Merger do not close, FMG will not consummate the tender offer.

Why is FMG's management proposing the tender offer?

FMG's management is proposing the tender offer to provide a liquidity opportunity for at least part of the FMG shares held by those stockholders who desire liquidity for their shares. FMG's management believes the tender offer will enhance the likelihood of stockholder approval of Proposals 1, 2, 3 and 5.

Who can participate in the tender offer?

Any stockholder of FMG at the time of the tender offer may participate in the tender offer. However, FMG's founding stockholders, its officers, directors and its sponsor have agreed not to tender any of their respective shares in the tender offer.

When does FMG expect to commence and close the tender offer?

FMG expects to commence the tender offer on the date of the mailing of this proxy statement to our stockholders and to close the tender offer 20 business days thereafter. If FMG stockholders do not approve Proposals 1, 2, 3 and 5, and if either the private placement or the Merger do not close, FMG will not consummate the tender offer.

What effect will the tender offer have on the capital structure and control of FMG?

Assuming the consummation of the private placement and exchange offer, the tender offer will be for 3,320,762 shares of common stock (reduced by the number of shares for which conversion is elected) or approximately 70.2% of stock issued in the IPO. If the maximum number of shares are tendered, the Company will have 10,476,704 shares outstanding following the tender offer. In such an event, our officers, directors and affiliates will own approximately 11.1% of our common stock (before taking into account any forfeiture for United). These percentages are based on FMG's outstanding shares as of June 30, 2008 and assumes no exercise of any of our outstanding warrants.

Why is the Company proposing the First Amendment to its Certificate of Incorporation?

Currently, the Company's certificate of incorporation contains provisions specific to blank check companies. Specifically, the Third, Fifth and Sixth Articles of the Company's amended and restated certificate of incorporation contain provisions that will not apply to the Company following consummation of the Merger. Article Third limits the powers and privileges conferred upon the Company to dissolving and liquidating in the event a business combination is not consummated prior to October 4, 2009. Article Fifth provides that the Company's corporate existence will terminate on October 4, 2009 and mandates that an amendment to this Article allowing continued corporate existence be submitted to stockholders along with the Merger Proposal. Article Sixth provides the procedural steps required for the approval of a business combination and the exercise of conversion rights. Assuming the Merger is consummated, the provisions of Articles Third and Sixth will no longer apply to the Company, and the Company will be obligated to amend Article Fifth in order to extend the corporate life of the Company beyond October 4, 2009.

Why is the Company proposing the Second Amendment to its Certificate of Incorporation and are there any other issuances of common stock contemplated by the Company other than in connection with the Merger Proposal?

Currently, the Company is authorized to issue up to 20,000,000 shares of common stock. There are 5,917,031 shares of common stock currently outstanding and 6,883,625 shares of common stock issuable upon the exercise of our outstanding warrants and the underwriters purchase option. In order to have sufficient authorized shares of common stock to cover the common stock issuable pursuant to the Merger Agreement and for general corporate purposes, the Company will need to increase its authorized common stock if the Merger is approved. Other than in connection with

the Merger, there are no plans to issue any other shares of common stock or other securities convertible into common stock.

Why is the Company proposing the Third Amendment to its Certificate of Incorporation?

In the judgment of our Board of Directors, the change of our corporate name to United Insurance Holdings Corp. is desirable to maintain the branding of the insurance operations and to reflect our merger with United.

If I am not going to attend the Special Meeting in person, should I return my proxy card instead?

Yes. Whether or not you plan to attend the Special Meeting, after carefully reading and considering the information contained in this proxy statement, please complete and sign your proxy card. Then return the enclosed proxy card in the return envelope provided herewith as soon as possible, so your shares may be represented at the Special Meeting.

What will happen if I abstain from voting or fail to vote at the Special Meeting?

The Company will count a properly executed proxy marked ABSTAIN with respect to a particular proposal as present for purposes of determining whether a quorum is present. For purposes of approval, an abstention or failure to vote on the Merger will have no effect on the proposal, provided a quorum is present, and will not have the effect of converting your shares into a pro rata portion of the trust account in which a substantial portion of the net proceeds of the Company's IPO are held. In order for a stockholder to convert his or her shares, he or she must cast a vote against the Merger Proposal and make an affirmative election on the proxy card to convert such shares of common stock. An abstention from voting on any of the First Amendment Proposal, Second Amendment Proposal or Third Amendment Proposal, or the Adjournment Proposal, will have the same effect as a vote against these proposals. An abstention from the Director Proposal will not have the effect of voting against such proposals.

What will happen if I sign and return my proxy card without indicating how I wish to vote?

Stockholders will not be entitled to exercise their conversion rights if such stockholders return proxy cards to the Company without an indication of how they desire to vote with respect to the Merger Proposal or, for stockholders holding their shares in street name, if such stockholders fail to provide voting instructions to their brokers. Proxies received by the Company without an indication of how the stockholders intend to vote on a proposal will be voted in favor of such proposal.

If my shares are held in "street name" by my broker, will my broker vote my shares for me?

If you hold your shares in "street name," your bank or broker cannot vote your shares with respect to the Merger Proposal, the First Amendment Proposal, the Second Amendment Proposal, the Third Amendment Proposal or the Adjournment Proposal without specific instructions from you, which are sometimes referred to in this proxy statement as the broker "non-vote" rules. If you do not provide instructions with your proxy, your bank or broker may deliver a proxy card expressly indicating that it is NOT voting your shares; this indication that a bank or broker is not voting your shares is referred to as a "broker non-vote." Broker non-votes will be counted for the purpose of determining the existence of a quorum, but will not count for purposes of determining the number of votes cast at the Special Meeting. Your broker can vote your shares only if you provide instructions on how to vote. You should instruct your broker to vote your shares in accordance with directions you provide to your broker.

What do I do if I want to change my vote?

If you desire to change your vote, please send a later-dated, signed proxy card to our corporate Secretary, Larry G. Swets, Jr. at FMG Acquisition Corp. prior to the date of the Special Meeting or attend the Special Meeting and vote in person. You also may revoke your proxy by sending a notice of revocation to Larry G. Swets, Jr. at the address of the Company's corporate headquarters, provided such revocation is received prior to the Special Meeting.

Will I receive anything in the Merger?

If the Merger is consummated and you vote your shares against the Merger Proposal but do not affirmatively elect conversion or you abstain, you will not receive a cash conversion of your shares upon the completion of the Merger. If the Merger is consummated but you have voted your shares against the Merger Proposal and have elected a cash

conversion, your shares of Company common stock will be cancelled and you will be entitled to receive cash equal to a pro rata portion of the trust account, which, as of June 30, 2008, was equal to approximately $7.91 per share (after a provision for payment of working capital costs and taxes); provided, however, you must deliver your physical certificates to the Company's stock transfer agent prior to the date of the Special Meeting.

How is the Company paying for the Merger?

The $104,316,270 cost of the Merger will be funded with (1) $25,000,000 of cash drawn from the cash currently in the Company's trust account, (2) the Company issuing 8,750,000 shares of common stock, valued at $70,000,000, based on a price of $8.00 per share; (3) the Company issuing 1,093,750 common stock purchase warrants, based on an exercise price of $6.00 per warrant share, (4) the Company issuing up to an additional 212,877 shares of common stock, valued at up to $1,703,016 based on a price of $8.00 per share, (5) the Company issuing up to an additional 212,877 common stock purchase warrants, based on an exercise price of $6.00 per warrant share and (6) up to $5,000,000 of additional consideration which will be paid to the members of United in the event certain net income targets are met by United, as set forth more particularly herein.

Will I experience dilution as a result of the Merger?

Prior to the Merger, those stockholders who hold shares issued in the Company's IPO owned approximately 80.0% of our issued and outstanding common stock. After giving effect to the Merger and to the shares of common stock to be issued to United in connection with the Merger, and assuming no exercise of the warrants then outstanding, the Company's current public stockholders will own approximately 32.3% of the Company post-Merger.

Do I have conversion rights in connection with the Merger?

If you hold shares of common stock issued in the Company's IPO, then you have the right to vote against the Merger Proposal and demand the Company convert your shares of Company common stock into a pro rata portion of the cash in the trust account. The right to vote against the Merger and demand conversion of your shares into a pro rata portion of the trust account is sometimes referred to herein as conversion rights.

If I have conversion rights, how do I exercise them?

If you desire to exercise your conversion rights, you must vote against the Merger Proposal and, at the same time, demand the Company convert your shares into cash by marking the appropriate space on the proxy card. If, notwithstanding your vote, the Merger is consummated, then you will be entitled to receive a pro rata share of the trust account in which a substantial portion of the net proceeds of the Company's IPO are held, including any pro rated interest earned thereon through the date of the Special Meeting. Based on the amount of cash held in the trust account as of June 30, 2008, without taking into account any interest or income taxes accrued after such date, you would be entitled to convert each share of Company common stock that you hold into approximately $7.91 per share (after a provision for payment of working capital costs and taxes). If you exercise your conversion rights, then you will be exchanging your shares of Company common stock for cash and will no longer own these shares of common stock. You will only be entitled to receive cash for these shares if you tender your stock certificates to the Company's stock transfer agent at any time at or prior to the vote at the Special Meeting. If you convert your shares of common stock but you remain in possession of the warrants and have not sold or transferred them, you will still have the right to exercise the warrants received as part of the units purchased in the IPO in accordance with the terms thereof. If the Merger is not consummated: (i) then your shares will not be converted into cash at this time, even if you so elected, and (ii) assuming we are unable to consummate another business combination by October 4, 2009, we will commence the liquidation process and you will be entitled to distribution upon liquidation. See "Conversion Rights" at page 41.

You will be required, whether you are a record holder or hold your shares in "street name", either to tender your certificates to our transfer agent or to deliver your shares to the Company's transfer agent electronically using the Depository Trust Company's DWAC (Deposit/Withdrawal At Custodian) System, at your option, at any time at or prior to the vote at the Special Meeting. There is typically a $35 cost associated with this tendering process and the act of certificating the shares or delivering them through the DWAC system. The transfer agent will typically charge the tendering broker this $35, and the broker may or may not pass this cost on to you.

As the delivery process can be accomplished by you, whether or not you are a record holder or your shares are held in "street name", within a business day, by simply contacting the transfer agent or your broker and requesting delivery of your shares through the DWAC System, we believe you will have sufficient time from the time we send out this proxy statement through the date of the Special Meeting to deliver your shares if you wish to exercise your conversion rights.

Any request for conversion, once made, may be withdrawn at any time up to immediately prior to the vote on the Merger Proposal at the Special Meeting (or any adjournment or postponement thereof). Furthermore, if you delivered a certificate for conversion and subsequently decided prior to the meeting not to elect conversion, you may simply request that the transfer agent return the certificate (physically or electronically) to you. The transfer agent will

typically charge an additional $35 for the return of the shares through the DWAC system.

Please note, however, that once the vote on the Merger Proposal is held at the Special Meeting, you may not withdraw your request for conversion and request the return of your stock certificate (either physically or electronically). If the Merger is not completed, your stock certificate will be automatically returned to you.

How much time do I have to decide whether to exercise my conversion rights?

You will have approximately twenty days from the date of this proxy statement/prospectus to determine whether to exercise your conversion rights, at which time you must vote on the Merger Proposal and, if voting against the Merger Proposal, also vote to exercise your conversion rights. You may not exercise your conversion rights following the stockholder vote on the Merger Proposal at the Special Meeting.

What happens to the funds deposited in the trust account after completion of the Merger?

Upon consummation of the Merger, a portion of the funds remaining in the trust account after payment of amounts, if any, to stockholders demanding and exercising their conversion rights, will be used to pay expenses associated with the Merger, to pay any amounts necessary to consummate the tender offer (to the extent funds received from the sale of the Notes is insufficient therefor) and to fund working capital of the combined company. In addition, up to $1,514,760 will be used to pay deferred underwriter's compensation from the Company's IPO.

What happens if the Merger is not consummated?

If the Merger is not consummated, the Company may seek another suitable business combination and none of the private placement, the exchange offer or the tender offer will be consummated. Depending upon the timing and success of such efforts, the Company may be forced to liquidate if it cannot consummate another business combination by October 4, 2009. If a liquidation were to occur by approximately October 4, 2009 (the last day on which the Company would be permitted to consummate an acquisition under its amended and restated certificate of incorporation), the Company estimates approximately $850,000 in interest, less applicable federal, state and Delaware franchise taxes, would accrue on the amounts that are held in trust through such date, which would yield a trust balance of approximately $37.5 million or approximately $7.91 per share (after taking into account disbursements for working capital purposes). This estimate includes the $2,764,760 proceeds from the sale of the Company's sponsor warrants and deferred underwriter fees owed to the underwriters from IPO. This amount, less any liabilities not indemnified by certain officers and members of the Company's Board and not waived by the Company's creditors, would be distributed to the holders of the 4,733,625 shares of common stock purchased in the Company's IPO.

Separately, the Company estimates the liquidation process would cost approximately $50,000. FMG Investors LLC, our sponsor, has acknowledged and agreed that such costs are covered by its existing indemnification agreement. We do not believe there would be any claims or liabilities in excess of the funds out of the trust against which would be required to indemnify the trust account in the event of such liquidation. In the event our sponsor is unable to satisfy its indemnification obligation or in the event there are subsequent claims such as subsequent non-vendor claims for which our sponsor has no indemnification obligation, the amount ultimately distributed to stockholders may be reduced even further. However, the Company currently has no basis to believe there will be any such liabilities or to provide an estimate of any such liabilities since to date the Company has only entered into a limited number of agreements and has obtained waivers whenever possible. The only cost of dissolution the Company is aware of that would not be indemnified against by such officers and directors of the Company is the cost of any associated litigation for which officers and directors obtained a valid and enforceable waiver. Should the Merger Agreement be terminated due to a breach of such agreement by any of the Company, United Subsidiary, or United or due to the Company's failure to obtain the Company stockholder approval, then each party would be responsible for its own expenses; provided, however, if the Merger Agreement is not consummated as a result of the failure to obtain the consent of United's members, United shall be obligated to pay the Company for all costs, expenses and fees incurred in connection with the Merger, up to a maximum of $500,000.

When do you expect the Merger to be completed?

Assuming the approval of the Merger Proposal, it is currently anticipated the Merger and other proposals will be completed as promptly as practicable following the Special Meeting of to be held on , 2008.

What do I need to do now?

The Company urges you to read carefully and consider the information contained in this proxy statement/prospectus, including the annexes, and to consider how the Merger will affect you as a stockholder of the Company. You should then vote as soon as possible in accordance with the instructions provided in this proxy statement/prospectus and on

the enclosed proxy card.

How can I obtain a list of stockholders entitled to vote?

A list of the stockholders entitled to vote as of the Record Date at the Special Meeting will be open to examination by any stockholder for any purpose germane to the meeting, during ordinary business hours for a period of ten calendar days before the Special Meeting at the offices of FMG Acquisition Corp., Four Forest Park, Second Floor, Farmington, Connecticut 06032, telephone number of (860) 677-2701; Secretary Larry G. Swets, Jr., and at the time and place of the Special Meeting during the duration of the Special Meeting.

Do I need to send in my stock certificates?

The Company stockholders who vote against adoption of the Merger Proposal and elect to have their shares converted into a pro rata share of the funds in the trust account must send their physical stock certificates to our stock transfer agent prior to the Special Meeting. The Company stockholders who vote in favor of the adoption of the Merger Proposal, or who otherwise do not elect to have their shares converted, should retain their stock certificates.

What should I do if I receive more than one set of voting materials?

You may receive more than one set of voting materials, including multiple copies of this proxy statement/prospectus and multiple proxy cards or voting instruction cards, if your shares are registered in more than one name or are registered in different accounts. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. Please complete, sign, date and return each proxy card and voting instruction card that you receive in order to cast a vote with respect to all of your Company shares.

How can I communicate with FMG's Board of Directors?

Stockholders may communicate with our Board of Directors by sending a letter addressed to the Board of Directors, all independent directors or specified individual directors to: FMG Acquisition Corp., Four Forest Park, Second Floor, Farmington, Connecticut 06032; Attention: Larry G. Swets, Jr., Secretary. All communications will be compiled by the Corporate Secretary and submitted to the Board or the specified directors on a periodic basis.

SUMMARY

This summary highlights certain information from this proxy statement/prospectus including information with respect to each of the proposals, although the Merger is the primary reason for the calling of the Special Meeting. This summary does not contain all of the information that is important to you. All of the proposals are described in detail elsewhere in this proxy statement/prospectus and this summary discusses the material items of each of the proposals. You should carefully read this entire proxy statement/prospectus and the other documents to which this proxy statement/prospectus refers you. See "Where You Can Find Additional Information." on page 174.

THE MERGER PROPOSAL

The Parties

FMG Acquisition Corp.

FMG Acquisition Corp. is a blank check company formed specifically as a vehicle to effect a merger, acquisition or similar business combination with one or more operating businesses without limitation to a particular industry or to any geographic location, although our efforts have been focused on seeking a business combination within the insurance industry and selected small business insurance. The principal executive offices of FMG are located at Four Forest Park, Second Floor, Farmington, Connecticut 06032, and its telephone number is (860) 677-2701, Larry G. Swets, Jr., Secretary.

United Insurance Holdings, L.C. ("United")

United is a Florida limited liability company and is the parent company of United Property & Casualty Insurance Company ("United Insurance"), a licensed insurer which provides homeowners insurance and selected small business insurance in the State of Florida. Since 2000, United Insurance has received a Financial Stability Rating of "A" for Exceptional Financial Stability by Demotech, Inc. This is the third highest Financial Stability Rating of the six Financial Stability Ratings (A'' – Unsurpassed; A' – Unsurpassed; A – Exceptional; S – Substantial; M – Moderate; L – Licensed) utilized by Demotech, Inc. These Financial Stability Ratings provide an objective baseline for assessing solvency and should not be interpreted as (and are not intended to serve as) an assessment of an insurance company's securities or a recommendation to buy, sell, or hold an insurance company's securities. Our Demotech Financial Stability Rating is recognized by federal mortgage backed loan programs such as HUD, Fannie Mae and FHA. If the Merger is consummated, United Subsidiary will merge with and into United, whereupon United will be the surviving entity and a wholly-owned subsidiary of FMG. United's principal executive offices are located at 700 Central Avenue, Suite 302, Saint Petersburg, Florida 33701, and its phone number is (727) 895-7737.

United Subsidiary Corp.

United Subsidiary Corp. is a Florida corporation recently incorporated solely for the purpose of effectuating the Merger. United Subsidiary is a wholly-owned subsidiary of FMG. As part of the Merger, United Subsidiary will be merged with and into United, with United remaining as the surviving entity and a wholly-owned subsidiary of FMG.

Following the effective date of the Merger, United and its members are expected to own approximately 60% of the issued and outstanding shares of common stock of FMG, depending upon the shares of the Company's common stock redeemed for cash. See "Description of FMG Acquisition Corp. Securities—Common Stock."

The Merger Proposal (Page 45)

On April 2, 2008, the Company entered into the Merger Agreement pursuant to which United Subsidiary has agreed to merge with and into United, and United has agreed, subject to receipt of the Merger consideration from FMG, to become a wholly-owned subsidiary of FMG. The Merger Agreement was amended and restated on August 15, 2008. If the stockholders of the Company and the members of United approve the transactions contemplated by the Merger Agreement, FMG, through United Subsidiary, will purchase all of the membership units of United in a series of steps as outlined below.

FMG and United will merge pursuant to a merger transaction summarized as follows:

- FMG will create a transitory merger subsidiary, United Subsidiary Corp., and will merge such subsidiary with and into United, with United surviving; and

- United will, as a result, become wholly-owned by FMG.

United's members will receive consideration from FMG for their membership units of up to $104,316,270 consisting of:

- $25,000,000 in cash;
- 8,750,000 shares of FMG common stock, par value $.0001 per share (assuming an $8.00 per share value);
- up to $5,000,000 of additional consideration which will be paid to the members of United in the event certain net income targets are met by United, as set forth more particularly herein;
- 1,093,750 newly issued common stock purchase warrants identical in all respects to the warrants issued in the Company's IPO;
- up to an additional 212,877 newly issued common stock purchase warrants identical in all respects to the warrants issued in the Company's IPO; and
- up to an additional 212,877 shares of FMG common stock.

The aggregate consideration will be paid pursuant to the Merger Agreement for the purchase of the membership units of United. The aggregate market value of the consideration to be paid pursuant to the Merger Agreement on the last trading day prior to the public announcement of the amended and restated Merger Agreement was $96,756,477 (based on a share price of $7.40 and warrant price of $0.33 as of such date) and includes $5,000,000 in contingent consideration and such amount will fluctuate based on the then-current trading price of the Company's common stock. The Company's Board of Directors has determined United has a fair market value that is equal to at least 80% of the Company's net assets held in trust.

The Company, United and United Subsidiary plan to consummate the Merger as promptly as practicable after the Special Meeting, provided that:

- the Company's stockholders have approved the Merger Agreement and the transactions contemplated thereby;
- not less than 66% of all membership units of United approve the Merger Agreement and the transactions contemplated thereby;
- holders of not more than 29.99% of the shares of common stock issued in the Company's IPO vote against the Merger and demand conversion of their stock into cash;
- the private placement, including the exchange offer, and tender offer shall have taken place;
- the Securities and Exchange Commission has declared effective the registration statement and prospectus which form a part of this proxy statement; and
- the other conditions specified in the Merger Agreement have been satisfied or waived.

See the description of the Merger Agreement in the section entitled "The Merger Agreement" beginning on page 64. The Merger Agreement is included as Annex A to this proxy statement/prospectus. We encourage you to read the Merger Agreement in its entirety.

Under the terms of the Company's amended and restated certificate of incorporation, the Company may proceed with the Merger provided that not more than 29.99% of the Company's public stockholders elect to convert their shares of

common stock to cash. The shares converted, if any, will reduce the shares of our common stock outstanding after the Merger and will reduce the amount available to us from the trust account.

Our "Insider" Stockholders

As of the Record Date, the Company's initial stockholders, including all of its directors, officers and a special advisor, who purchased or received shares of common stock prior to the Company's IPO, presently, together with their affiliates, own an aggregate of approximately 20% of the outstanding shares of the Company common stock (an aggregate of 1,183,406 shares). All of these persons have agreed to vote all of the shares acquired prior to the IPO in accordance with the vote of the majority of all other voting Company stockholders on the Merger Proposal. Moreover, all of these persons have agreed to vote all of their shares which were acquired in or following the IPO in favor of the Merger Proposal. As of the date hereof, no members of management purchased any shares in or following the IPO. Management will also vote "FOR" Proposal 2, the First Amendment Proposal; "FOR" Proposal 3, the Second Amendment Proposal; "FOR" Proposal 4, the Third Amendment Proposal; "FOR" Proposal 5, the Director Proposal; and "FOR" Proposal 6, the Adjournment Proposal.

Company Shares Entitled to Vote

Holders of all issued and outstanding shares of Company common stock are entitled to vote on all matters at the Special Meeting. Approval of the Merger Proposal will require the affirmative vote of a majority of the shares of common stock purchased in the IPO which vote at the Special Meeting. Approval of the Merger Proposal requires that no more than 1,419,614 shares of common stock purchased in the IPO vote against the Merger and elect to convert their common stock into their pro rata portion of the cash from the trust account.

United Membership Units Entitled to Vote

As of June 30, 2008, there were 100,000 United membership units issued and outstanding. The holders of these membership units are entitled to one vote per unit on all matters to be voted upon by the members. In accordance with Florida law, the affirmative vote of a majority of the units represented and voting at a duly held meeting at which a quorum is present (which units voting affirmatively also constitute at least a majority of the required quorum) shall be the act of the members, except that approval of certain business transactions, including the Merger, requires the affirmative vote of 66% of the units issued and outstanding.

The managers and officers of United, presently, together with their affiliates, own an aggregate of approximately 59% of United's outstanding membership units, all of which are entitled to vote on the Merger. Approval of the Merger Proposal will require the affirmative vote of not less than 66% of all membership units outstanding, which means United needs only an additional 7% of the aggregate outstanding membership units in order to approve the Merger, provided that the current managers and officers of United approve the Merger Proposal.

United is not soliciting proxies for approval of the Merger at this time, however, in accordance with Florida law, United does intend to solicit written consents from its members in favor of the Merger and the Merger Agreement. When United solicits written consents from its members, it will also send notice pursuant to Florida Statute 608.4354 to its members who are entitled to appraisal rights.

Tax Considerations (Page 69)

There will be no tax consequences to our stockholders resulting from the Merger, except to the extent they exercise their conversion rights. A stockholder who exercises conversion rights will generally be required to recognize capital gain or loss upon the conversion, if such shares were held as a capital asset on the date of the conversion. This gain or loss will be measured by the difference between the amount of cash received and the stockholder's tax basis in the converted shares. If you purchased shares in our IPO, the gain or loss will be short-term gain or loss if the Merger closes as scheduled. If you purchased shares in the aftermarket and have held such shares for less than a year, the gain or loss will be short term gain or loss.

Conditions to Closing the Merger (Page 65)

The obligations of the Company, United and United Subsidiary to consummate the Merger are subject to the satisfaction or waiver of the following specified conditions set forth in the Merger Agreement before completion of the Merger:

(i) the accuracy in all material respects on the date of the Merger Agreement and the Closing Date of all of United's representations and warranties;

(ii) United's performance in all material respects of all covenants and obligations required to be performed by the Closing Date (as more fully described below in "Covenants of the Parties");

(iii) a majority of the Company's stockholders must vote in favor of approving the Merger;

(iv) not more than 29.99% of the shares of the common stock issued in the Company's IPO vote against the Merger and demand conversion of their stock into cash;

(v) stockholder approval of the First and Second Amendment Proposals;

(vi) the Securities and Exchange Commission has declared effective the registration statement and prospectus which form a part of this proxy statement;

(vii) no governmental authority has enacted, issued, promulgated, enforced or entered any law or order that is in effect and has the effect of making the Merger illegal or otherwise preventing or prohibiting consummation of the Merger;

(viii) the private placement, including the exchange offer, and the tender offer shall have taken place;

(ix) the officers are, and the Board of Directors of FMG following the Merger is constituted, as set forth as the Board of Directors recommends, as fully described herein; and

(x) the consent of not less than 66% of the membership units of United to the Merger and no more than ten percent (10%) of the outstanding membership units of United shall constitute dissenting membership units under Florida law.

Conditions (i), (ii) and (ix), as well as the Third Amendment Proposal, are waivable by the Company or United, as applicable.

United's obligation to close on the Merger is further contingent upon:

- the accuracy in all material respects on the date of the Merger Agreement and the Closing Date of all of FMG's representations and warranties;
- the private placement, including the exchange offer, and the tender offer shall have taken place; and
- FMG's performance in all material respects of all covenants and obligations required to be performed by the Closing Date (as more fully described below in "Covenants of the Parties").

On August 15, 2008, FMG entered into a note purchase agreement with certain accredited investors for the issuance and sale in a private placement of 11% promissory notes in the aggregate principal amount of $18,279,570 (the "Notes"). The net cash proceeds from the private placement are estimated to be approximately $10,000,000. The private placement will provide additional financing to the Company, substantially all of which will be used to consummate the tender offer or, to the extent not used for that purpose, such proceeds will be used for general corporate purposes. If the Company utilizes all of the net proceeds of the private placement to consummate the tender offer, it will not have these funds available for general corporate purposes. The Company will consummate the private placement only in the event that Proposals 1, 2, 3 and 5 are approved. If FMG stockholders do not approve Proposals 1, 2, 3 and 5, the private placement will not be completed.

On August 15, 2008, FMG entered into an agreement with certain institutional holders of FMG common stock wherein such holders agreed to exchange their shares of FMG common stock for promissory notes issued by the Company. The promissory notes issued in the exchange offer will be identical to the Notes issued in the private placement. FMG will not receive any proceeds from the exchange offer, other than the shares of FMG common stock exchanged. Accordingly, the Company will issue Notes with an aggregate principal amount of $7,526,882 in exchange for 869,565 shares of FMG common stock. FMG's management believes the exchange offer will enhance the

likelihood of stockholder approval of the proposals included in this proxy statement. The Company will close the exchange offer only in the event that Proposals 1, 2, 3 and 5 are approved. If FMG stockholders do not approve Proposals 1, 2, 3 and 5, or if either the private placement or the Merger does not close, the exchange offer will not be completed.

Director Nominees (Page 66)

Under the Merger Agreement, United or its designated affiliate has the right to nominate, and the Company has agreed to cause the appointment and election of, three additional members of the Board of Directors of the Company.

Accounting Treatment (Page 72)

The Merger will be accounted for as a reverse merger and recapitalization since United and its members will control FMG immediately following the completion of the Merger. United will be deemed to be the accounting acquirer in the Merger and, consequently, the Merger is treated as a recapitalization of United. Accordingly, the assets and liabilities and the historical operations that are reflected in the financial statements will be those of United and will be recorded at the historical cost basis of United. FMG's assets, liabilities and results of operations will be consolidated with the assets, liabilities and results of operations of United after consummation of the Merger.

Risk Factors (Page 24)

Before you grant your proxy or vote or instruct the vote with respect to the Merger, you should be aware that the occurrence of the events described in the "Risk Factors" section and elsewhere in this proxy statement could have a material adverse effect on the Company, United and United Subsidiary. Principal risks include dilution which our stockholders will suffer as a consequence of the Merger, the concentration of ownership of FMG common stock following the Merger, the fact one or more conditions to the Merger may be waived by FMG without resoliciting stockholder approval, risks inherent to providers of homeowners insurance in the southeast United States, our failure following the Merger to collect all amounts due from reinsurers and the potential lack of availability of reinsurance coverage, heavy regulation of the insurance industry by various federal and state governments and disruptions to United's relationships with its independent agents and brokers.

Conversion Rights (Page 41)

Pursuant to the Company's existing amended and restated certificate of incorporation, a holder of shares of the Company's common stock issued in its IPO may, if the stockholder votes against the Merger Proposal, demand the Company convert such shares into a pro rata portion of the trust account. This demand must be made on the proxy card at the same time the stockholder votes against the Merger Proposal. We issued a total of 4,733,625 shares in our IPO and, other than the 1,183,406 shares issued to our management, we have no other shares of common stock issued and outstanding. If properly demanded in connection with a vote against the Merger Proposal, the Company will convert each share of common stock as to which such demand has been made into a pro rata portion of the trust account in which a substantial portion of the net proceeds of the Company's IPO are held, plus all pro rata interest earned thereon. If you exercise your conversion rights, then you will be exchanging your shares of the Company common stock for cash and will no longer own these shares. Based on the amount of cash held in the trust account as of June 30, 2008, without taking into account any interest or income taxes accrued after such date, you would be entitled to convert each share of common stock that you hold into approximately $7.91 (after a provision for payment of working capital costs and taxes) per share. You will only be entitled to receive cash for these shares if you tender your stock certificate to the Company's stock transfer agent at or prior to the vote at the Special Meeting on the Merger Proposal. If the Merger is not consummated, then these shares will not be converted into cash immediately. If you convert your shares of common stock, you will still have the right to exercise the warrants received as part of the units purchased in our IPO in accordance with the terms thereof. If the Merger is not consummated, then your shares will not be converted to cash after the Special Meeting, even if you so elected, and your shares will be converted into cash upon liquidation of the trust in the event we do not propose a subsequent business combination.

The Merger will not be consummated if the holders of 1,419,615 or more shares of common stock issued in the Company's IPO, an amount equal to more than 29.99% of such shares, vote against the Merger Proposal and exercise their conversion rights.

Appraisal or Dissenters' Rights (Page 42)

No dissenter's or appraisal rights are available under the Delaware General Corporation Law for the stockholders of the Company in connection with the proposals. Under Florida law, the members of United will be entitled to dissent from the Merger and obtain cash payment for the fair value of their membership units instead of the consideration provided for in the Merger Proposal. For a more complete description of the rights of United's members, see "United Member Approval."

Stock Ownership (Page 42)

The following table sets forth information as of August 29, 2008, based on information obtained from the persons named below, with respect to the beneficial ownership of shares of the Company's common stock by: (i) each person known by us to be the owner of more than 5% of our outstanding shares of the Company's common stock, (ii) each officer and director, and (iii) all officers and directors as a group. The table does not reflect the additional shares of FMG common stock and warrants FMG Investors LLC will forfeit and which will be re-issued to United's members as additional consideration for the Merger. See "The Merger Proposal" for additional information regarding this consideration.

Except as indicated in the footnotes to the table, the persons named in the table have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them.

	Common Stock	
Name and Address of Beneficial Owners(1)	**Number of Shares (2)**	**Percentage of Common Stock**

FMG Investors LLC(3)	1,099,266	18.57%
Gordon G. Pratt, Chairman, Chief Executive Officer and President	1,099,266(3)	18.57%
Larry G. Swets, Jr., Chief Financial Officer, Secretary, Treasurer, Executive Vice President	1,099,266(3)	18.57%
Thomas D. Sargent, Director	21,035	0.36%
David E. Sturgess, Director(4)	21,035	0.36%
James R. Zuhlke, Director	21,035	0.36%
HBK Investments L.P.(5)	547,250	9.2%
Brian Taylor (6)	437,500	7.4%
Bulldog Investors(7)	1,282,167	21.67%
Millenco LLC(8)	189,375	3.2%
D.B. Zwirn Special Opportunities Fund, L.P.(9)	178,500	3.02%
D.B. Zwirn Special Opportunities Fund, Ltd. (9)	246,500	4.17%
D.B. Zwirn & Co., L.P. (9)	425,000	7.18%
DBZ GP, LLC(9)	425,000	7.18%
Zwirn Holdings, LLC(9)	350,000	5.92%
Daniel B. Zwirn(9)	350,000	5.92%
Weiss Asset Management, LLC(10)	180,642	3.1%
Weiss Capital, LLC(10)	90,395	1.5%
Andrew M. Weiss, Ph.D.(10)	271,037	4.6%
All Directors and Officers as a Group (5 persons)	1,162,371	19.64%

(1) Unless otherwise indicated, the business address of each of the stockholders is Four Forest Park, Second Floor, Farmington, Connecticut 06032.

(2) Unless otherwise indicated, all ownership is direct beneficial ownership.

(3) Each of Messrs. Pratt and Swets are the managing members of our sponsor, FMG Investors LLC, and may be deemed to each beneficially own the 1,099,266 shares owned by FMG Investors LLC. The table does not reflect the additional shares of FMG common stock and warrants FMG Investors LLC will forfeit and which will be re-issued to United's members as additional consideration for the Merger. See "The Merger Proposal" for additional information regarding this consideration.

(4) The business address of David E. Sturgess is c/o Updike, Kelly & Spellacy, P.C., One State Street, Hartford, Connecticut 06103.

(5) Based on information contained in a Statement on Schedule 13G filed by HBK Investments L.P., HBK Services LLC, HBK Partners II L.P., HBK Management LLC and HBK Master Fund L.P. on February 12, 2008. The address of all such reporting parties is 300 Crescent Court, Suite 700, Dallas, Texas 75201. HBK Investments L.P. has delegated discretion to vote and dispose of the Securities to HBK Services LLC ("Services"). Services may, from time to time, delegate discretion to vote and dispose of certain of the Securities to HBK New York LLC, a Delaware limited liability company, HBK Virginia LLC, a Delaware limited liability company, HBK Europe Management LLP, a limited liability partnership organized under the laws of the United Kingdom, and/or HBK Hong Kong Ltd., a corporation organized under the laws of Hong Kong (collectively, the "Subadvisors"). Each of Services and the Subadvisors is under common control with HBK Investments L.P. The Subadvisors expressly declare that the filing of the statement on Schedule 13G shall not be construed as an admission that they are, for the purpose of Section 13(d) or 13(g), beneficial owners of the Securities. Jamiel A. Akhtar, Richard L. Booth, David C. Haley, Lawrence H. Lebowitz, and William E. Rose are each managing members (collectively, the "Members") of HBK Management LLC. The Members expressly declare that the filing of the statement on Schedule 13G shall not be construed as an admission that they are, for the purpose of Section 13(d) or 13(g), beneficial owners of the Securities.

(6) Based on information contained in a Statement on Schedule 13D filed by Brian Taylor, Pine River Capital Management L.P. and Nisswa Master Fund Ltd. on October 12, 2007. All reporting parties have shared voting and dispositive power over such securities. The address of all such reporting parties is 800 Nicollet Mall, Suite 2850, Minneapolis, MN 55402.

(7) Based on information contained in a Statement on Schedule 13D filed by Bulldog Investors, Phillip Goldstein and Andrew Dakos on February 13, 2008. All reporting parties have shared voting and dispositive power over such securities. The address of all such reporting parties is Park 80 West, Plaza Two, Saddle Brook, NJ 07663.

(8) Based on information contained in a Statement on Schedule 13G filed by Millenco LLC, Millenium Management LLC and Israel A. Englander on December 11, 2007. All reporting parties have shared voting and dispositive power over such securities. The address of all such reporting parties is 666 Fifth Avenue, New York, NY 10103.

(9) Based on information contained in a Statement on Schedule 13G/A filed by D.B. Zwirn & Co., L.P., DBZ GP, LLC, D.B. Zwirn Special Opportunities Fund, L.P. and D.B. Zwirn Special Opportunities Fund, Ltd. on January 25, 2008. D.B. Zwirn & Co., L.P., DBZ GP, LLC, Zwirn Holdings, LLC, and Daniel B. Zwirn

may each be deemed the beneficial owner of (i) 178,500 shares of common stock owned by D.B. Zwirn Opportunities Fund, L.P. and (ii) 246,500 shares of common stock owned by D.B. Zwirn Special Opportunities Fund, Ltd. (each entity referred to in (i) through (ii) is herein referred to as a "Fund" and, collectively, as the "Funds"). D.B. Zwirn & Co., L.P. is the manager of the Funds, and consequently has voting control and investment discretion over the shares of common stock held by the Fund. Daniel B. Zwirn is the managing member of and thereby controls Zwirn Holdings, LLC, which in turn is the managing member of and thereby controls DBZ GP, LLC, which in turn is the general partner of and thereby controls D.B. Zwirn & Co., L.P. The foregoing should not be construed in and of itself as an admission by any Reporting Person as to beneficial ownership of shares of common stock owned by another Reporting Person. In addition, each of D.B. Zwirn & Co., L.P., DBZ GP, LLC, Zwirn Holdings, LLC and Daniel B. Zwirn disclaims beneficial ownership of the shares of common stock held by the Funds.

(10) Based on information contained in a Statement on Schedule 13G filed by Weiss Asset Management, LLC, Weiss Capital, LLC and Andrew M. Weiss, Ph.D. on July 18, 2008. Shares reported for Weiss Asset Management, LLC include shares beneficially owned by a private investment partnership of which Weiss Asset Management, LLC is the sole general partner. Shares reported for Weiss Capital, LLC include shares beneficially owned by a private investment corporation of which Weiss Capital is the sole investment manager. Shares reported for Andrew Weiss include shares beneficially owned by a private investment partnership of which Weiss Asset Management is the sole general partner and which may be deemed to be controlled by Mr. Weiss, who is the Managing Member of Weiss Asset Management, and also includes shares held by a private investment corporation which may be deemed to be controlled by Dr. Weiss, who is the managing member of Weiss Capital, the Investment Manager of such private investment corporation. Dr. Weiss disclaims beneficial ownership of the shares reported herein as beneficially owned by him except to the extent of his pecuniary interest therein. Weiss Asset Management, Weiss Capital, and Dr. Weiss have a business address of 29 Commonwealth Avenue, 10th Floor, Boston, Massachusetts 02116.

Reasons for the Merger (Page 56)

The Company is a blank check company formed specifically as a vehicle to effect a merger, acquisition or similar business combination with one or more operating businesses in the insurance industry. In the course of the Company's search for a business combination partner, the Company investigated the potential acquisition of numerous candidates in the insurance industry, along with United, and considered United to be an attractive merger candidate because of, among other things, the market in which United operates, growth prospects and the ability to leverage the expertise and contacts of the Company's and United's management. The value attributed to United derives from both the extensive analysis the Company's Board of Directors undertook in connection with its own evaluation of United and the prior acquisition experience of each of the Company's board members. As a result, the Company believes the Merger will provide Company stockholders with an opportunity to participate in a business and industry with growth potential. Our Board of Directors has obtained a fairness opinion from Piper Jaffray & Co., which states that the consideration to be paid by FMG for all the issued membership units of United is fair, from a financial point of view, to holders of FMG common stock.

In reaching its decision with respect to the Merger and the transactions contemplated thereby, the Company's Board of Directors reviewed various materials. Also, in reaching its decision to approve the Merger, the Board of Directors considered a number of factors and believes such factors support its determination and recommendation to approve the Merger.

The Company's Board of Directors' Recommendations (Pages 73, 82, 85, 86, 87, 88, 97 and 98)

After careful consideration of the terms and conditions of the Merger Agreement, the Company's Board of Directors has determined unanimously that the Merger Agreement and the transactions contemplated thereby including the Merger, is in the best interests of the Company and its stockholders. Accordingly, the Company's Board has unanimously approved and declared advisable the Merger and unanimously recommends that you vote or instruct your vote to be cast "FOR" the Merger Proposal.

The Company's Board of Directors has also determined unanimously that the First Amendment Proposal is in the best interest of the Company and its stockholders. Accordingly, the Company's Board of Directors has unanimously approved and declared advisable the First Amendment Proposal and unanimously recommends you vote or instruct your vote to be cast "FOR" the approval of the First Amendment Proposal.

The Company's Board of Directors has also determined unanimously that the Second Amendment Proposal is in the best interest of the Company and its stockholders. Accordingly, the Company's Board of Directors has unanimously

approved and declared advisable the Second Amendment Proposal and unanimously recommends you vote or instruct your vote to be cast "FOR" the approval of the Second Amendment Proposal.

The Company's Board of Directors has also determined unanimously that the Third Amendment Proposal is in the best interest of the Company and its stockholders. Accordingly, the Company's Board of Directors has unanimously approved and declared advisable the Third Amendment Proposal and unanimously recommends you vote or instruct your vote to be cast "FOR" the approval of the Third Amendment Proposal.

The Company's Board of Directors has also determined unanimously that the Director Proposal is in the best interest of the Company and its stockholders. Accordingly, the Company's Board of Directors has unanimously approved and declared advisable the Director Proposal and unanimously recommends that you vote or instruct your vote to be cast "FOR" the approval of the Director Proposal.

The Company's Board of Directors has also determined unanimously that the Adjournment Proposal is in the best interest of the Company and its stockholders. Accordingly, the Company's Board of Directors has unanimously approved and declared advisable the Adjournment Proposal and unanimously recommends that you vote or instruct your vote to be cast "FOR" the approval of the Adjournment Proposal.

Interests of FMG Directors and Officers in the Merger (Page 56)

When you consider the recommendation of the Company's Board of Directors that you vote in favor of the Merger Proposal, you should keep in mind that certain of the Company's Directors and officers have interests in the Merger that are different from, or in addition to, your interests as a stockholder. If the Merger is not approved, the Company may be required to liquidate, and the warrants owned by certain of the Company's officers and directors and the shares of common stock issued at an effective price per share of $0.021 prior to the Company's IPO and held by the Company's executives and directors may be worthless because the Company's executives and directors are not entitled to receive any of the net proceeds of the Company's IPO that are held in trust and will be distributed upon liquidation of the Company. Additionally, the Company's officers and directors who acquired shares of Company common stock prior to the Company's IPO at a price per share of $0.021, after giving effect to the forward stock split and the forfeiture of shares of common stock following the IPO, will benefit if the Merger is approved because they will continue to hold their shares.

The table below sets forth the value of the shares and warrants owned by the officers and directors of the Company immediately following the consummation of the Merger and the unrealized profit from such securities based on the market price of the common stock and the warrants of the Company, as of August 29, 2008, of $7.60 and $0.59, respectively.

	Common Stock(a)				Warrants(b)			
	Owned	Amount Paid ($)	Current Market Value ($)	Unrealized Profit ($)	Owned	Amount Paid ($)	Current Market Value ($)	Unrealized Profit (Loss) ($)
Gordon G. Pratt, Chairman, Chief Executive Officer and President (1)	1,099,266	$ 0.021	$ 8,354,422	$ 8,331,337	1,300,000	$ 1,268,950	$ 767,000	$ (501,950)
Larry G. Swets, Jr., Chief Financial Officer, Secretary, Treasurer, Executive Vice President (1)	1,099,266	$ 0.021	$ 8,354,422	$ 8,331,337	1,250,000	$ 1,250,000	$ 737,500	$ (512,500)
Thomas D. Sargent, Director	21,035	$ 0.021	$ 159,866	$ 159,424	0			
David E. Sturgess, Director	21,035	$ 0.021	$ 159,866	$ 159,424	0			
James R. Zuhlke, Director	21,035	$ 0.021	$ 159,866	$ 159,424	0			

(1) Reflects the beneficial ownership of 1,099,266 shares of FMG common stock by FMG Investors LLC.

(a) The weighted average purchase price per share for this common stock was $0.021 per share. Pursuant to escrow agreements signed by these stockholders, these shares may not be sold or pledged until one year after the consummation of a business combination. Additionally, these shares are currently not registered, although after the release from escrow, these stockholders may demand the Company use its best efforts to register the resale of such shares.

(b) These warrants were purchased in a private placement that closed concurrently with the Company IPO. The exercise price of the warrants is $6.00. These warrants may not be sold or transferred until 90 days after the consummation of a business combination

All of the shares of the Company common stock and the warrants acquired by our officers, directors and special advisor prior to the Company's IPO were placed in escrow with Continental Stock Transfer & Trust Company, as escrow agent. During the escrow period, the holders of these shares are not able to sell or transfer their securities except to their spouses and children or trusts established for their benefit, but will retain all other rights as our stockholders, including, without limitation, the right to vote their shares of common stock and the right to receive cash dividends, if declared. If dividends are declared and payable in shares of common stock, such dividends will also be placed in escrow. If we are unable to effect a business combination and liquidate, none of these stockholders will receive any portion of the liquidation proceeds with respect to common stock owned by them prior to the Company's IPO.

Interests of United in the Merger

Upon completion of the Merger, the members of United will beneficially own, in the aggregate, approximately 60% of the issued shares of FMG.

In addition, certain of United's directors will be directors of the surviving company after the Merger.

Interests of Pali Capital in the Merger; Fees

Pali Capital, Inc. served as the representative of the underwriters in our IPO and agreed to defer $1,514,760 of the underwriting discounts and commissions until after the consummation of a business combination. The deferred amount payable in connection with the IPO will be paid out of the trust account established for the proceeds of the IPO only if we consummate the Merger. Pali Capital, Inc., therefore, has an interest in our consummating the Merger, which will result in the payment of its deferred compensation. Further, the underwriters of FMG's IPO and certain of its employees own an option to purchase 450,000 units (comprised of one share of common stock and one warrant) at an exercise price of $10.00 per unit, received as consideration as the representative of the underwriters in our IPO. As a part of the negotiation with United, the underwriters and certain of its employees have agreed to forfeit 100,000 of such units upon closing of the business combination. As a result, 350,000 of such units will remain outstanding following the closing of the business combination. Additionally, upon consummation of the Merger, Pali Capital, Inc. shall be entitled to a $200,000 investment banking fee.

Fairness Opinion (Page 58)

Pursuant to an engagement letter dated March 4, 2008, we engaged Piper Jaffray to render an opinion that the consideration to be paid for the Merger on the terms and conditions set forth in the Merger Agreement is fair, from a financial point of view, to the holders of the common stock of the Company. Our Board of Directors decided to use the services of Piper Jaffray because it is an investment banking firm that regularly evaluates businesses and their securities in connection with acquisitions, corporate restructurings, private placements and for other purposes.

Piper Jaffray delivered its oral opinion to our Board of Directors on March 20, 2008, which stated that, as of March 20, 2008 and based upon and subject to the assumptions made, matters considered and limitations on its review as set forth in the opinion that the consideration to be paid for United is fair, from a financial point of view, to the holders of Company common stock. After discussion and due consideration, the Board concluded that the net economic effect of the additional merger consideration paid by the Company, namely the 1,093,750 additional warrants, is appropriate primarily as a result of: (i) United's financial performance through June 30, 2008; (ii) additional value expected from United's earnings in the third quarter 2008 that will be retained in United; and (iii) the benefit of reduced potential dilution for our stockholders due to our repurchase of 100,000 units of the underwriter's purchase option. Our Board considered seeking a new fairness opinion from Piper Jaffray concerning the transaction but ultimately declined to do so for the reasons cited in (i) through (iii) above and because there have been no material changes in United's performance or in the projections or assumptions on which Piper Jaffray based its opinion. The amount of consideration to be paid for United was determined pursuant to negotiations between us and United and its members and not pursuant to recommendations of Piper Jaffray. The Piper Jaffray opinion is not a recommendation as to how any stockholder should vote or act with respect to any matters relating to the Merger (including, without limitation, with respect to the exercise of rights to convert the Company common stock into cash). Further, the Piper Jaffray opinion does not in any manner address the underlying business decision of the Company to engage in the Merger or the relative merits of the Merger as compared to any alternative business transaction or strategy (including, without limitation, liquidation of the Company after not completing a business combination transaction within the allotted time). The decision as to whether to approve the Merger or any related transaction may depend on an assessment of factors unrelated to the financial analysis on which the Piper Jaffray opinion is based. The full text of the Piper Jaffray written opinion, attached hereto as Annex C, is incorporated by reference into this proxy statement/prospectus. You are encouraged to read the Piper Jaffray opinion carefully and in its entirety for a description of the assumptions made, matters considered, procedures followed and limitations on the review undertaken by Piper Jaffray in rendering its opinion. The summary of the Piper Jaffray opinion set forth in this proxy statement is qualified in its entirety by reference to the full text of the opinion.

Regulatory Matters (Page 71)

The Company does not expect that the Merger will be subject to any state or federal regulatory requirements other than approval of the Florida Office of Insurance Regulation, filings under applicable securities laws and the effectiveness of the registration statement of the Company of which this proxy statement/prospectus is part. The Company intends to comply with all such requirements. We do not believe that, in connection with the completion of the Merger, any further consent, approval, authorization or permit of, or filing with, any acquisition control authority will be required in any jurisdiction.

Overview of the Merger (Page 64)

As part of the Merger, and pursuant to the Merger Agreement, United and United Subsidiary will engage in a reverse merger as outlined below pursuant to which United Subsidiary will merge with and into United, and United will become a wholly-owned subsidiary of the Company and the current members of United will become stockholders of FMG. As part of the Merger, FMG will be renamed United Insurance Holdings Corp. (“UIH”).

After giving effect to the Merger (but before the exchange offer and tender offer), the members of United will own approximately 60% of the outstanding shares of UIH, and the current stockholders of FMG will own the remaining 40% without regard to exercise of any outstanding warrants and before giving effect to the tender offer.

Directors and Management (Page 158)

Upon completion of the Merger, the Board of Directors of the Company and its wholly-owned subsidiary will consist of six members. Assuming the consummation of the Merger, three of the Company's current directors: Messrs. Gordon G. Pratt, Larry G. Swets, Jr. and James R. Zuhlke will serve as directors of the Company and United. Additionally, assuming the consummation of the Merger, Messrs. Gregory C. Branch, Alec L. Poitevint, II and Kent G. Whittemore will also serve as directors of the Company and United. Upon completion of the Merger, Donald J. Cronin will serve as President and Chief Executive Officer and Nicholas W. Griffin will serve as Chief Financial Officer of the Company. Melvin A. Russell, Jr. will serve as Chief Underwriting Officer of United.

FIRST AMENDMENT TO CERTIFICATE OF INCORPORATION PROPOSAL (PAGE 82)

We are seeking your approval to authorize the Board of Directors to amend and restate our Certificate of Incorporation to delete provisions in the certificate of incorporation that are specific to blank check companies. This proposal to approve the amendment to our Certificate of Incorporation is conditioned upon and subject to the approval of the Merger Proposal. See the section entitled "*The First Amendment Proposal*."

SECOND AMENDMENT TO CERTIFICATE OF INCORPORATION PROPOSAL (PAGE 86)

We are seeking your approval to authorize the Board of Directors to amend and restate our Certificate of Incorporation to increase the amount of authorized shares of common stock from 20,000,000 to 50,000,000. This proposal to approve the amendment to our Certificate of Incorporation is conditioned upon and subject to the approval of the Merger Proposal. See the section entitled "*The Second Amendment Proposal*."

THIRD AMENDMENT TO CERTIFICATE OF INCORPORATION PROPOSAL (PAGE 88)

We are seeking your approval to authorize the Board of Directors to amend and restate our Certificate of Incorporation to change the name of the Company to United Insurance Holdings Corp. This proposal to approve the amendment to our Certificate of Incorporation is conditioned upon and subject to the approval of the Merger Proposal. See the section entitled "*The Third Amendment Proposal*."

DIRECTOR PROPOSAL (PAGE 89)

Director Proposal—to elect three (3) directors to the Company's Board of Directors to hold office until the next annual meeting of stockholders and until their successors are elected and qualified. This proposal to elect three directors to our Board of Directors is conditioned upon and subject to the approval of the Merger Proposal. See the section entitled "*The Director Proposal*."

ADJOURNMENT PROPOSAL (PAGE 98)

If, based on the tabulated vote, there are not sufficient votes at the time of the Special Meeting authorizing the Company to consummate the Merger, the Company's Board of Directors may submit a proposal to adjourn the Special Meeting to a later date or dates, if necessary, to permit further solicitation of proxies. See the section entitled " *The Adjournment Proposal*."

Prior to the record date for this Special Meeting, the officers, directors or affiliates of the Company may purchase outstanding securities of the Company in open market transactions and the shares so acquired would be voted in favor of the Merger. In the event an adjournment proposal is presented at the Special Meeting and approved by the stockholders, the officers, directors or affiliates of the Company may, during such adjournment period, make investor presentations telephonically and/or in person to investors who have indicated their intent to vote against the Merger Proposal. Such investor presentations would be informational only, and would be filed publicly on Current Report on Form 8-K prior to or concurrently with presentation to any third party. The Company will not conduct any such activities in violation of applicable federal securities laws, rules or regulations.

THE SPECIAL MEETING

Date, Time and Place of Special Meeting of our Stockholders (Page 38)

The Special Meeting of our stockholders will be held at 10:00 a.m. Eastern Time, on , 2008, at the offices of .

Record Date; Who is Entitled to Vote (Page 39)

You will be entitled to vote or direct votes to be cast at the Special Meeting if you owned shares of our common stock at the close of business on , 2008, which is the record date for the Special Meeting. You will have one vote for each share of our common stock you owned at the close of business on the record date. On the record date, there were 5,917,031 shares of our common stock outstanding, of which 4,733,625 shares were IPO shares. The remaining 1,183,406 shares were issued to our founders prior to our IPO.

Voting Your Shares (Page 39)

You can vote by signing and returning the enclosed proxy card. If you vote by proxy card, your "proxy," whose name is listed on the proxy card, will vote your shares as you instruct on the proxy card. If you sign and return the proxy card, but do not give instructions on how to vote your shares, your shares will be voted, as recommended by the FMG Board of Directors, "FOR" Proposal 1, the Merger Proposal, "FOR" Proposal 2, the First Amendment Proposal; "FOR" Proposal 3, the Second Amendment Proposal; "FOR" Proposal 4, the Third Amendment Proposal; "FOR" Proposal 5, the Director Proposal; and "FOR" Proposal 6, the Adjournment Proposal.

Proxies may be solicited by mail, telephone or in person. Proxies may be solicited by mail, telephone or in person. FMG will pay for the entire cost of soliciting proxies. In addition to these mailed proxy materials, our directors and officers may also solicit proxies in person, by telephone or by other means of communication. These parties will not be paid any additional compensation for soliciting proxies. Mackenzie Partners, Inc., a proxy solicitation firm we have engaged to assist us in soliciting proxies, will be paid its customary fee of approximately $7,500 plus $5.00 per solicited stockholder and out-of-pocket expenses, and we expect the total fees and expenses payable to Mackenzie Partners, Inc. will not exceed approximately $20,000. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

If you grant a proxy, you may still vote your shares in person if you revoke your proxy at or before the Special Meeting. If you hold your shares in street name you can obtain physical delivery of your shares into your name, and then vote the shares yourself. In order to obtain shares directly into your name, you must contact your brokerage firm representative. Brokerage firms may assess a fee for your conversion; the amount of such fee varies.

Quorum and Vote Required (Page 40)

A quorum of our stockholders is necessary to hold a valid stockholders meeting. A quorum will be present at the Special Meeting if a majority of the shares of our common stock outstanding as of the record date are presented in person or by proxy. Abstentions and broker non-votes will count as present for the purposes of establishing a quorum.

For purposes of Proposal 1, under our amended and restated certificate of incorporation, approval of the Merger Proposal will require: (i) the affirmative vote of a majority of the shares of the Company's common stock issued in the IPO who vote on this proposal at the Special Meeting, and (ii) not more than 29.99% of the shares of the Company's common stock issued in the IPO vote against the Merger Proposal and elect a cash conversion of their shares. For the purposes of Proposal 2, the affirmative vote of the majority of the Company's issued and outstanding common stock as of the Record Date is required to approve the First Amendment Proposal. For the purposes of Proposal 3, the

affirmative vote of the majority of the Company's issued and outstanding common stock as of the Record Date is required to approve the Second Amendment Proposal. For the purposes of Proposal 4, the affirmative vote of the majority of the Company's issued and outstanding common stock as of the Record Date is required to approve the Third Amendment Proposal. For purposes of Proposal 5, the affirmative vote of the holders of a plurality of the shares of common stock cast in the election of directors is required. Proposals 2, 3, 4 and 5, are contingent upon our stockholders' approval of the Merger. For purposes of Proposal 6 the affirmative vote of a majority of the shares of the Company's common stock that are present in person or by proxy and entitled to vote is required to approve the adjournment.

As long as a quorum is established at the Special Meeting, if you return your proxy card without an indication of how you desire to vote, it: (i) will have the same effect as a vote in favor of the Merger Proposal and will not have the effect of converting your shares into a pro rata portion of the trust account (in order for a stockholder to convert his or her shares, he or she must cast an affirmative vote against the Merger Proposal and make an affirmative election on the proxy card to convert such shares of common stock); (ii) will have the same effect as a vote in favor of the First Amendment Proposal; (iii) will have the same effect as a vote in favor of the Second Amendment Proposal; (iv) will have the same effect as a vote in favor of the Third Amendment Proposal; (v) will have no effect on the Director Proposal; and (vi) will have the same effect as a vote in favor of the Adjournment Proposal.

FMG ACQUISITION CORP. SELECTED FINANCIAL DATA

The Company is providing the following selected financial information to assist you in your analysis of the financial aspects of the Merger. The following selected financial and other operating data should be read in conjunction with FMG Acquisition Corp.'s Management's Discussion and Analysis of Financial Condition and Results of Operations and its financial statements and the related notes to those statements included elsewhere in this proxy statement. The balance sheet data as of December 31, 2007 has been derived from the Company's audited financial statements included elsewhere in this proxy statement prospectus. The statements of operations data for the six months ended June 30, 2008 and for the period from May 22, 2007 (inception) through June, 30 2008, and the balance sheet data as of ,June 30, 2008 have been derived from the Company's unaudited financial statements included elsewhere in this proxy statement/prospectus. Interim results are not necessarily indicative of results for the full fiscal year and historical results are not necessarily indicative of results to be expected in any future period.

CONDENSED STATEMENTS OF OPERATIONS
(unaudited)

	For the three months ended June 30, 2008	For the six months ended June 30, 2008	May 22, 2007 (inception) to June 30, 2008	May 22, 2007 (inception) to June 30, 2007
Interest income	$ 113,723	$ 280,209	$ 548,437	$ 40
Operating costs	73,298	430,144	544,410	600
Provision (benefit) for income taxes	(87,666)	(24,668)	46,837	-
Net (loss) income	$ 128,091	$ (125,267)	$ (42,810)	$ (560)
Maximum number of shares subject to possible redemption:				
Weighted average number of common shares,				
Basic and diluted	1,419,614	1,419,614	1,419,614	-
Net income per common share, for shares subject to redemption	-	-	-	-
Approximate weighted average number of common shares outstanding (not subject to possible redemption)				
Basic	4,497,417	4,497,417	3,317,902	1,293,750
Diluted	5,563,568	4,497,417	3,317,902	1,293,750
Net income per common share not subject to possible redemption,				
Basic	$ 0.028	$ (0.028)	$ (0.013)	$ -
Diluted	$ 0.023	$ (0.028)	$ (0.013)	$ -

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CONDENSED BALANCE SHEETS

	June 30, 2008 (unaudited)	December 31, 2007
ASSETS		
Current assets		
Cash	$ 45,626	$ 71,274
Prepaid expenses	64,904	54,075
Deferred acquisition costs	107,363	
	217,893	125,349
Other assets		
Cash and cash equivalents held in Trust Account	37,498,748	37,720,479
Deferred tax asset	172,169	32,210
	37,670,917	37,752,689
TOTAL ASSETS	$ 37,888,810	$ 37,878,038
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities, accounts payable and accrued expenses	$ 310,383	$ 174,344
Long-term liabilities, deferred underwriters' fee	1,514,760	1,514,760
Common stock, subject to possible redemption, 1,419,614 shares, at redemption value	11,232,133	11,232,133
Stockholders' equity		
Preferred stock, $.0001 par value; 1,000,000 shares authorized; none issued	-	-
Common stock, $.0001 par value, authorized 20,000,000 shares; 5,917,031 shares issued and outstanding, (including 1,419,614 shares subject to possible redemption)	602	602
Additional paid-in capital	24,873,742	24,873,742
Earnings (deficit) accumulated during the development stage	(42,810)	82,457
Total stockholders' equity	24,831,534	24,956,801
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 37,888,810	$ 37,878,038

MARKET PRICE INFORMATION AND DIVIDEND DATA FOR COMPANY SECURITIES

The Company consummated its IPO on October 4, 2007. In the IPO, the Company sold 4,733,625 units, each consisting of one share of the Company's common stock and one warrant to purchase common stock. The units were quoted on the OTC Bulletin Board from the consummation of the IPO under the symbol FMGQU. On November 7, 2007, the common stock and warrants included in the units began trading separately and the trading in the units continued. The shares of the Company's common stock and warrants are currently quoted on the OTC Bulletin Board under the symbols "FMGQ" and "FMGQW", respectively. The closing prices per unit, per share of common stock and per warrant of the Company on April 1, 2008, the last trading day before the announcement of the execution of the Merger Agreement, were $7.62, $7.24 and $0.36, respectively. Each warrant entitles the holder to purchase from the Company one share of common stock at an exercise price of $6.00 commencing on the later of the consummation of a business combination (if consummated) or October 4, 2008. The Company warrants will expire at 5:00 p.m., New York City time, on October 4, 2011, or earlier upon redemption. Prior to October 4, 2007, there was no established public trading market for the Company's securities.

The following table sets forth, for the calendar quarter indicated, the quarterly high and low sales prices of the Company's common stock, warrants and units as reported on the OTC Bulletin Board. The over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

	Common Stock		Warrants		Units	
Quarter Ended	**High**	**Low**	**High**	**Low**	**High**	**Low**
June 30, 2008	$ 7.40	$ 7.23	$ 0.50	$ 0.27	$ 7.65	$ 7.52
March 31, 2008	$ 7.25	$ 7.12	$ 0.70	$ 0.35	$ 7.93	$ 7.62
December 31, 2007	$ 7.30	$ 7.15	$ 0.70	$ 0.70	$ 8.00	$ 7.90

On August 29, 2008, the closing prices of our units, common stock and warrants were $8.20, $7.60 and $0.59, respectively.

Holders

As of , 2008, the Record Date of the Special Meeting, there were [ ] holders of record of units, [ ] holders of record of the common stock and [ ] holders of record of the warrants. We estimate there are [ ] beneficial owners of our units, [ ] beneficial owners of our common stock and [ ] beneficial owners of our warrants. Upon consummation of the Merger, FMG will be obligated to issue 8,750,000 shares of common stock and 1,093,750 warrants to the members of United as partial consideration for the membership units of United. For more information on the shares and warrants to be issued to United, see the section entitled "The Merger Proposal—Consideration". For more information on the effect of the issuance of the 8,750,000 shares of common stock on the amount and percentage of present holdings of the Company's common equity owned beneficially by (i) each person known by us to be the owner of more than 5% of our outstanding shares of the Company's common stock, (ii) each officer and director and (iii) all officers and directors as a group see the section entitled "Beneficial Ownership following the Merger" on page 162.

Dividends

The Company has not paid any cash dividends on its common stock and does not intend to pay dividends prior to consummation of the Merger.

RISK FACTORS

You should consider carefully all of the material risks described below, together with the other information contained elsewhere in this proxy statement, before you decide whether to vote or instruct your vote to be cast to adopt the Merger. Additional risks and uncertainties that we are unaware of, or that we currently deem immaterial, also may become important factors that affect us. If any of the following risks occur, our business, financial conditions or results of operating may be materially and adversely affected.

RISKS PARTICULAR TO THE MERGER

FMG's and United Subsidiary's businesses are difficult to evaluate due to a lack of operational history.

FMG was formed on May 22, 2007 for the purpose of effecting a merger, capital stock exchange, asset or stock acquisition, exchangeable share transaction, joint venture or other similar business combination with one or more domestic or international operating businesses. On October 4, 2007, the Company consummated its IPO. Accordingly, we have limited operational history which consists of the founding of the Company and the evaluation of potential acquisitions. United Subsidiary was formed solely for the purpose of the Merger and has no operating history. FMG's, and United Subsidiary's operating history, to date, is not indicative of future operating or financial performance.

Our stockholders will experience immediate dilution as a consequence of the issuance of common stock and warrants as consideration in the Merger. Having a minority share position may reduce the influence our current stockholders have on the management of the combined company.

Following the consummation of the Merger, the influence of our public stockholders, in their capacity as stockholders of FMG following the Merger, will be significantly reduced. Our current stockholders will hold, in the aggregate, approximately 40% of the issued and outstanding common stock of FMG (before considering the exchange and tender offers and excluding as outstanding for purposes of the calculation securities issuable upon the exercise of our outstanding warrants and upon the exercise of the purchase option issued to underwriters in our IPO).

Concentration of ownership of our common stock after the Merger could delay or prevent a change of control.

Our directors, executive officers and principal stockholders will beneficially own a significant percentage of our common stock after the Merger. They also have, through the exercise of warrants, the right to acquire additional shares of common stock. As a result, these stockholders, if acting together, have the ability to significantly influence the outcome of corporate actions requiring stockholder approval. Additionally, under the terms of the Merger Agreement, United and its members shall have the right to appoint up to three designees to serve on the Company's Board of Directors after the Merger is consummated. The concentration of ownership among management may have the effect of delaying or preventing a change in control of the post-acquisition company even if such a change in control would be in your interest. As of August 29, 2008, our directors, officers and principal stockholders beneficially owned approximately 20% of FMG's common stock. Following the Merger, the former members of United joining our board of directors will beneficially own approximately 15% of the common stock of FMG, and our reconstituted Board of Directors, management and principal stockholders will beneficially own approximately 23% of the common stock of FMG.

We may waive one or more conditions to the Merger without resoliciting stockholder approval for the Merger.

One or more conditions to our obligation to complete the Merger may be waived in whole or in part to the extent legally allowable either unilaterally or by agreement of FMG, United and United Subsidiary. Waivable conditions include the accuracy of the representations and warranties contained in the Merger Agreement, performance of all covenants and obligations required to be performed prior to consummation of the Merger (other than approval of the

required number of our stockholders and United's members and conversion of not more than 29.99% of our shares issued in the Company's IPO). These conditions may be waived unilaterally by any of the parties to the Merger Agreement. Depending upon the condition, our Board of Directors will evaluate the materiality of any such waiver to determine whether amendment to this proxy statement and re-solicitation of proxies is necessary. FMG will act in compliance with relevant state laws and U.S. securities laws with respect to determining whether an amendment to the proxy statement and re-solicitation of the proxies is necessary. In the event our Board of Directors determines any such waivers are not significant enough to require re-solicitation of stockholders, we would have the discretion to complete the Merger without seeking further stockholder approval.

There may be a conflict of interest between our management and our stockholders, which may have influenced management's decision to enter into the Merger Agreement, the private placement, the tender offer and the exchange offer as well as recommending our stockholders to vote in favor of the Merger.

Our officers and directors will not receive reimbursement for any out-of-pocket expenses incurred by them to the extent such expenses exceed the amount of proceeds available to the Company for working capital, unless a business combination is completed. In addition, if we do not complete the Merger or another business combination and are forced to liquidate, the trust account proceeds may be subject to claims that could take priority over the claims of our public stockholders. Gordon G. Pratt, our current President and Chief Executive Officer, and Larry G. Swets, Jr., our current Chief Financial Officer and Secretary, have each entered into separate indemnity agreements under which they will be personally liable under certain circumstances to ensure that the proceeds of the trust account are not reduced by the claims of various vendors that are owed money by us for services rendered or contracted for, or claims of other parties with which we have contracted. Further, all of our directors own common stock and warrants purchased in private placements consummated prior to our IPO, but have waived their right to proceeds from the liquidation of the trust account if we are unable to complete a business combination. The shares of common stock and warrants owned by our officers and directors and their affiliates will be worthless if we do not consummate a business combination. The financial interests of all of our officers and directors may have influenced their motivation in causing us to enter into the Merger Agreement, the private placement, the exchange offer and the tender offer as well as recommending our stockholders to vote in favor of the Merger.

Completion of the Merger is subject to a number of conditions.

The obligations of FMG, United and United Subsidiary to consummate the Merger are subject to the satisfaction or waiver of specified conditions set forth in the Merger Agreement. Such conditions include, but are not limited to, satisfaction by all parties of covenants and obligations contained in the Merger Agreement, the private placement, including the exchange offer, and the tender offer, all shall have taken place, the accuracy in all material respects on the date of the Merger Agreement and the Closing Date of all of FMG's and United's representations and warranties, non-existence of legal action against FMG, United and United Subsidiary, effectiveness of the registration statement of which this proxy statement/prospectus is part, obtaining material consents, approval of the required number of our stockholders and United's members and conversion of not more than 29.99% of our shares issued in the Company's IPO, stockholder approval of the First and Second Amendment Proposals, and execution of ancillary agreements. It is possible some or all of these conditions will not be satisfied or waived by any of FMG, United or United Subsidiary, and therefore, the Merger may not be consummated. See "Conditions to the Consummation of the Merger." In the event the Merger is not consummated, we will seek to effectuate a different business combination.

The sale or even the possibility of sale of the common stock and warrants to be issued to United and its members could have an adverse effect on the price of FMG's securities and make it more difficult to obtain financing in the future.

In connection with the Merger, we agreed to grant to United and their members, 8,750,000 shares of common stock and 1,093,750 warrants as part of the consideration. The sale or even the possibility of sale of these shares and the shares underlying the warrants could have an adverse effect on the price of our securities on the equity market and on our ability to obtain financing in the future, in the event such financing is required. We do not expect to seek debt or equity financing for at least the first twelve months following consummation of the Merger. At the time any financing is required, we will make a determination of the preferred form of such financing and the type of financing source to approach (e.g. debt or equity or bank line of credit).

Management of the Company following the Merger will have broad discretion with respect to the specific application of the net proceeds of the trust account.

In the event the Merger is consummated, the amounts then-remaining in the trust account will be released to the Company, which will have unlimited discretion as to the use of such proceeds. Management may use these proceeds in a manner with which you may not agree.

We are restricted from paying cash dividends on our common stock.

We have not paid or declared any dividends on our common stock and do not currently intend to do so. Accordingly, you should not expect to receive any dividends for your shares of FMG common stock. In addition, the note purchase agreement includes a negative covenant, restricting us from making any dividends or distributions, if after giving effect to such payment, the consolidated net worth (as defined in the note purchase agreement) of the Company and its subsidiaries would be less than $45,000,000. Accordingly, you should not expect to receive any dividends for your shares of FMG common stock

RISKS RELATED TO UNITED'S BUSINESS

Exposure to natural and man-made catastrophes could materially and adversely affect United's results of operations, financial condition and liquidity.

United's property and casualty insurance operations expose it to claims arising out of catastrophes. Catastrophes can be caused by various natural events, including hurricanes, windstorms, earthquakes, hail, severe winter weather and fires. Catastrophes can also be man-made, such as terrorist attacks (including those involving nuclear, biological, chemical or radiological events) or consequences of war or political instability. The incidence and severity of catastrophes are inherently unpredictable. It is possible that both the frequency and severity of natural and man-made catastrophic events will increase. Although the trend of increased severity and frequency of storms was not evident in the United States in 2007 and 2006, it is possible the overall trend of increased severity and frequency of storms experienced in the United States in 2005 and 2004, and in the Caribbean during 2007, may continue in the foreseeable future.

Catastrophes can result in losses in United's property insurance lines and may generally result in both an increase in the number of claims incurred and an increase in the dollar amount of each claim asserted. The occurrence of such claims from natural and man-made catastrophes could therefore materially and adversely affect United's results of operations for any year and may materially harm its financial position, which in turn could adversely affect its financial strength and impair its ability to raise capital on acceptable terms or at all. In addition, catastrophic events could cause United to exhaust its available reinsurance limits and could adversely impact the cost and availability of reinsurance. Such events can also impact the credit of its reinsurers. Catastrophic events could also adversely impact the credit of the issuers of securities, such as states or municipalities, in whom United has invested, which could materially and adversely affect United's results of operations.

In addition to catastrophes, the accumulation of losses from smaller weather-related events in a fiscal quarter or year could materially and adversely impact United's results of operations in those periods.

United's ability to manage its exposure to catastrophic events may be limited by new legislation and regulations.

States have from time to time passed legislation, and regulators have taken action, that has the effect of limiting the ability of insurers to manage catastrophe risk, such as legislation prohibiting insurers from reducing exposures or withdrawing from catastrophe-prone areas or mandating that insurers participate in residual markets. In addition, following catastrophes, there are sometimes legislative initiatives and court decisions which seek to expand insurance coverage for catastrophe claims beyond the original intent of the policies. Further, United's ability to increase pricing to the extent necessary to offset rising costs of catastrophes requires approval of regulatory authorities. United's ability or willingness to manage its catastrophe exposure by raising prices, modifying underwriting terms or reducing exposure to certain geographies may be limited due to considerations of public policy, the evolving political environment and United's ability to penetrate other geographic markets. United cannot predict whether and to what extent new legislation and regulations that would affect its ability to manage its exposure to catastrophic events will be adopted, the timing of adoption or the effects, if any, they would have on United's ability to manage its exposure to catastrophic events.

Because United currently conducts business in only one state, its financial results may be disproportionately affected by catastrophes and other conditions in that state.

United's business is currently concentrated in only one state – the State of Florida. Therefore, its revenues and profitability are subject to prevailing regulatory, legal, economic, political, demographic, competitive, weather and other conditions in the State of Florida. Changes in any of these conditions could make it less attractive for United to do business in Florida and would have a more pronounced effect on United than it would on other insurance companies that are geographically diversified. In addition, the fact United's business is concentrated only in the State

of Florida subjects it to increased exposure to certain catastrophic events such as hurricanes and floods. This increased exposure to catastrophic events also results in an increased risk of losses as the extent of losses from a catastrophic event is a function of both the total amount of insured exposure in the area affected by the event and the severity of the event. Because United's business is concentrated in Florida, the occurrence of one or more catastrophic events or other conditions affecting losses in Florida could have a material adverse effect on United's financial condition and results of operations.

If market conditions increase the cost or decrease the availability of reinsurance, United may be required to bear increased risks or reduce the level of its underwriting commitment.

As part of United's risk management strategy, it purchases reinsurance coverage from third-party reinsurers. Market conditions beyond United's control, including catastrophic events, determine the availability and cost of the reinsurance it purchases, which may in turn affect the growth of its business and its profitability. United may be unable to maintain its current reinsurance coverage, to obtain additional reinsurance coverage in the event its current reinsurance limits are exhausted by a catastrophic event, or to obtain other reinsurance coverage in adequate amounts or at acceptable rates. Similar risks exist whether United is seeking to replace coverage terminated during the applicable coverage period or to renew or replace coverage upon the expiration of such coverage. If United is unable to renew its expiring coverage or to obtain new reinsurance coverage, either its net exposure to risk would increase or, if it is unwilling to accept an increase in net risk exposures, United would have to reduce the amount of risk it underwrites.

A single catastrophe could cause us to exhaust available reinsurance limits and could adversely impact the cost and availability of reinsurance.

In the event United exhausts its available reinsurance limits, it may have to pay any future claims out of its own pocket. Alternatively, they could seek additional sources of reinsurance, which can be expected to be a costly and time consuming process which may not ultimately be successful. In the event United is successful in finding an additional or replacement reinsurer, such reinsurance policy can be expected to be costly. Catastrophic events can also impact the credit of United's reinsurers and the credit of the issuers of securities, such as states or municipalities, in whom United has invested, any of which could materially and adversely affect United's results of operations.

If United's actual claims exceed its loss reserves, its financial results could be materially and adversely affected.

If actual claims exceed United's loss reserves, or if changes in the estimated level of loss reserves are necessary, United's financial results could be materially and adversely affected. Claims and claim adjustment expense reserves (loss reserves) represent management's estimate of ultimate unpaid costs of losses and loss adjustment expenses for claims that have been reported and claims that have been incurred but not yet reported. Loss reserves do not represent an exact calculation of liability, but instead represent management estimates, generally utilizing actuarial expertise and projection techniques, at a given accounting date. These loss reserve estimates are expectations of what the ultimate settlement and administration of claims will cost upon final resolution in the future, based on United's assessment of facts and circumstances then known, reviews of historical settlement patterns, estimates of trends in claims severity and frequency, expected interpretations of legal theories of liability and other factors. In establishing reserves, United has also taken into account estimated recoveries from reinsurance, salvage and subrogation.

The process of estimating loss reserves involves a high degree of judgment and is subject to a number of variables. These variables can be affected by both internal and external events, such as changes in claims handling procedures, economic inflation, legal trends and legislative changes, and varying judgments and viewpoints of the individuals involved in the estimation process, among others. The impact of many of these items on ultimate costs for claims and claim adjustment expenses is difficult to estimate. Loss reserve estimation difficulties also differ significantly by product line due to differences in claim complexity, the volume of claims, the potential severity of individual claims, the determination of occurrence date for a claim and reporting lags (the time between the occurrence of the policyholder event and when it is actually reported to the insurer).

United continually refines its loss reserve estimates in a regular, ongoing process as historical loss experience develops and additional claims are reported and settled. Informed judgment is applied throughout the process, including the application of various individual experiences and expertise to multiple sets of data and analyses. Different experts may choose different assumptions when faced with material uncertainty, based on their individual

backgrounds, professional experiences and areas of focus. Hence, such experts may at times produce estimates materially different from each other. Experts providing input to the various estimates and underlying assumptions include actuaries, underwriters, claims personnel and lawyers. Therefore, management may have to consider varying individual viewpoints as part of its estimation of loss reserves.

United attempts to consider all significant facts and circumstances known at the time loss reserves are established. Due to the inherent uncertainty underlying loss reserve estimates, the final resolution of the estimated liability for claims and claim adjustment expenses will likely be higher or lower than the related loss reserves at the reporting date. Therefore, actual paid losses in the future may yield a materially different amount than is currently reserved.

Because of the uncertainties set forth above, additional liabilities resulting from one insured event, or an accumulation of insured events, may exceed the current related reserves. In addition, our estimate of claims and claim adjustment expenses may change. These additional liabilities or increases in estimates, or a range of either, cannot now be reasonably estimated and could materially and adversely affect United’s results of operations.

There are inherent difficulties in estimating the ultimate costs of catastrophes, which further complicate our ability to estimate reserves.

There are inherent difficulties in estimating risks that impact the estimation of ultimate costs for catastrophes. These difficulties also affect United's ability to estimate reserves for catastrophes. For example, the estimation of reserves related to hurricanes can be affected by the inability to access portions of the impacted areas, the complexity of factors contributing to the losses, the legal and regulatory uncertainties and the nature of the information available to establish the reserves. Complex factors include, but are not limited to, determining whether damage was caused by flooding versus wind; evaluating general liability and pollution exposures; estimating additional living expenses; the impact of demand surge; infrastructure disruption; fraud; the effect of mold damage; business interruption costs; and reinsurance collectibility. The timing of a catastrophe's occurrence, such as at or near the end of a reporting period, can also affect the information available to United in estimating reserves for that reporting period. The estimates related to catastrophes are adjusted as actual claims emerge and additional information becomes available. Because of the inherent uncertainty in estimating reserves for catastrophes, we cannot be sure that our ultimate losses and loss adjustment expenses will not exceed our reserves. If and to the extent that our reserves are inadequate, we will be required to increase our reserves for losses and loss adjustment expenses and incur a charge to earnings in the period during which our reserves are increased, which could materially and adversely affect our financial condition and results of operations.

United's business is cyclical, which affects its financial performance and may affect the market price of the combined company's common stock.

Historically, the financial performance of the property and casualty insurance industry has been cyclical, characterized by periods of severe price competition and excess underwriting capacity, or soft markets, followed by periods of high premium rates and shortages of underwriting capacity, or hard markets. The profitability of most property and casualty insurance companies, including United, tend to follow this cyclical pattern. This cyclicality is due in large part to the actions of United's competitors and to general economic factors that are not within United's control, and therefore, United cannot predict how long any given hard or soft market will last. If United has to reduce premiums or limit premium increases due to competitive pressures on pricing in a softening market, United may experience a reduction in its premiums written and in its profit margins and revenues, which could adversely affect United's financial results and the market price of the combined company's common stock.

United's business is seasonal, which affects its financial performance and may affect the market price of the combined company's common stock.

United's business has historically been seasonal. We generally experience higher losses during the third quarter of the year as a result of an increase in claims due to weather conditions in Florida during hurricane season. For example, storms may cause property damage that impacts claim incidence and severity. The recurrence of these seasonal patterns, or any deviation from them, could affect the market price of our common stock.

The market price of our common stock may be volatile.

The trading price of our common stock following the Merger may fluctuate substantially, depending on many factors, some of which are beyond our control and may not be related to our operating performance. Factors that could cause such fluctuations include, but are not limited to, the following:

- variations in actual or anticipated operating results or changes in the expectations of financial market analysts with respect to our results;
- investor perception of the property and casualty insurance industry in general and us in particular;
-

market conditions in the insurance industry and any significant volatility in the market price and trading volume of insurance companies;

- major catastrophic events, especially hurricanes;
- sales of large blocks of Company stock or sales by Company insiders; or
- departures of key personnel.

United has debt outstanding and failure to comply with the terms of its loan agreements could have an adverse effect on United's ability to grow and write additional insurance policies.

As of June 30, 2008, United's total long-term debt outstanding was approximately $25.2 million. Its long-term debt includes the following:

- $5.2 million in principal amount outstanding under the loan agreement between Columbus Bank and Trust Company ("CB&T"), United, and United Insurance Management, L.C. (" UIM ") consisting of a term loan in the principal amount of $33 million; and

- $20.0 million in principal and interest under UPCIC's surplus note with the State Board of Administration of Florida ("SBA").

These loan agreements contain certain significant covenants, including covenants requiring the maintenance of minimum specified financial ratios and balances. United's failure to meet its payment obligations or to comply with any of these covenants could result in an event of default which, if not cured or waived, could result in increased interest rates on United's indebtedness or the acceleration of United's outstanding debt obligations or both. In addition, if an event of default occurs under one of these loan agreements, CB&T can elect to take possession of, sell, lease or otherwise dispose of any of United's assets that were pledged as collateral for its loan.

As of December 31, 2007 and June 30, 2008, UPCIC was not in compliance with the ratio of net written premium to surplus requirement of 2:1 (the "Minimum Writing Ratio") contained in the SBA loan agreement. As a result, the SBA increased UPCIC's interest rate on the SBA loan from the stated rate of interest by 450 basis points to 8.60% for the quarter ended March 31, 2008 and 7.97% for the quarter ended June 30, 2008. UPCIC's ratio of net written premium to surplus at June 30, 2008 was 1.52:1 which is at least 1.5:1 and, as a result, UPCIC will incur an interest rate charge of 25 basis points above the stated rate of interest for the third quarter of 2008. During the second quarter of 2008, the Florida Legislature passed a law that allows the board to amend the terms of surplus notes issued prior to January 1, 2008 based upon the requirements of the new law changes. The new law contains various methods of computing writing ratios that may be more favorable than the terms of the current SBA note. United is evaluating the impact of the terms of the new law to determine if it will amend the terms of its loan agreement with the SBA. If UPCIC's ratio of net written premium to surplus is below 1.5:1 for three consecutive quarters following December 31, 2007, UPCIC will be obligated to repay a portion of the SBA note such that the Minimum Writing Ratio will be obtained for the following quarter.

The SBA note provides that the SBA may, among other things, declare its loan immediately due and payable for all defaults existing under the SBA note. Acceleration of the principal and interest under the SBA loan would limit, but not preclude, United Insurance's ability to write additional insurance policies.

The effects of emerging claim and coverage issues on the insurance business are uncertain.

As industry practices and legal, judicial, social and other environmental conditions change, unexpected and unintended issues related to claim and coverage may emerge. These issues may adversely affect United's business following the Merger by either extending coverage beyond its underwriting intent or by increasing the number or size of claims. Examples of emerging claims and coverage issues include, but are not limited to:

- adverse changes in loss cost trends, including inflationary pressures in medical costs and home repair costs;

- judicial expansion of policy coverage and the impact of new theories of liability; and

- plaintiffs targeting property and casualty insurers, in purported class action litigation relating to claims-handling and other practices.

In some instances, these emerging issues may not become apparent for some time after issuance of the affected insurance policies. As a result, the full extent of liability under insurance policies we may issue following the Merger may not be known for many years after the policies are issued.

The effects of these and other unforeseen emerging claim and coverage issues are extremely hard to predict and could harm United's business and materially and adversely affect our results of operations and future operations.

United may not be able to collect all amounts due to it from reinsurers, and reinsurance coverage may not be available in the future at commercially reasonable rates or at all.

United uses, and we expect to continue to use following the Merger, reinsurance to help manage our exposure to property and casualty risks. The availability and cost of reinsurance are each subject to prevailing market conditions which can affect business volume and profitability. Although reinsurers are liable to United to the extent of the ceded reinsurance, United remains liable as the direct insurer on all risks reinsured. As a result, ceded reinsurance arrangements do not eliminate United's obligation to pay claims. Accordingly, United is subject to credit risk with respect to its ability to recover amounts due from reinsurers. In the past, certain reinsurers have ceased writing business and entered into runoff. Some of United's reinsurance claims may be disputed by the reinsurers, and United may ultimately receive partial or no payment.

In a number of jurisdictions, particularly the European Union and the United Kingdom, a reinsurer is permitted to transfer a reinsurance arrangement to another reinsurer, which may be less creditworthy, without a counterparty's consent, provided that the transfer has been approved by the applicable regulatory and/or court authority. United does not currently have any reinsurance arrangements that permit such a transfer. However, United may enter into such arrangements in the future, in which case the ability of reinsurers to transfer their risks to other, less creditworthy reinsurers would impact United's risk of collecting amounts due to it.

Based on the foregoing, United may not be able to collect all amounts due to it from reinsurers, and reinsurance coverage may not be available to it in the future at commercially reasonable rates or at all, and thus United's results of operations and future operations could be materially and adversely affected.

We will be exposed to credit risk in certain of our business operations and in our investment portfolio.

We will be exposed to credit risk in several areas of our business operations, including credit risk relating to reinsurance, as discussed above, and credit risk associated with commissions paid to independent agents. We pay commissions to our agents in advance, on an annual basis. Therefore, if an insurer cancels a policy during the policy year, the agent will owe us a pro rata portion of the commission we paid to such agent, based on the number of months during the policy year that the policy was not in force. Typically, we deduct any such commissions owed to us from commissions on other policies we owe to the agent. If we do not owe the agent any other commissions, then we will be subject to the risk that the agent may not be able to repay us the balance of a commission, which could adversely affect our financial position.

The value of our investment portfolio will also be subject to the risk that certain investments may become impaired due to a deterioration in the financial position of one or more issuers of securities held in our portfolio, or due to a downgrade of the credit ratings of an insurer that guarantees an issuer's payments of such investments in our portfolio. In addition, defaults by the issuer and, where applicable, its guarantor, of certain investments that result in the failure of such parties to fulfill their obligations with regard to any of these investments could reduce our net investment income and net realized investment gains or result in investment losses.

While we will attempt to manage these risks through underwriting and investment guidelines, collateral requirements and other oversight mechanisms, our efforts may not be successful. To a large degree, the credit risk we face is a function of the economy; accordingly, we face a greater risk in an economic downturn or recession. As a result, our exposure to any of the above credit risks could materially and adversely affect our results of operations.

Competition could harm our ability to maintain or increase United's profitability and premium volume following the Merger.

The property and casualty insurance industry is highly competitive, and we believe it will remain highly competitive for the foreseeable future. We compete with both regional and national insurers as well as Florida domestic property and casualty companies, some of which have greater financial resources than we do. Based on legislation passed in 2007, Citizens Property Insurance Corporation ("Citizens"), a Florida state-supported insurer, is also authorized to compete with us. Our primary competitors include Universal Insurance Company of North America, Olympus Insurance Group and Universal Property & Casualty. The principal competitive factors in our industry are price, service, commission structure and financial condition. In addition, our competitors may offer products for alternative forms of risk protection. If competition limits our ability to retain existing business or write new business at adequate rates, our results of operations could be materially and adversely affected.

The insurance industry is the subject of a number of investigations by state and federal authorities in the United States. We cannot predict the outcome of these investigations or the impact on our business practices or financial results.

As part of ongoing, industry-wide investigations, we may from time to time receive subpoenas and written requests for information from government agencies and authorities, including from the Attorney General of the State of Florida, Florida insurance and business regulators and the Securities and Exchange Commission. If we are subpoenaed for information by government agencies and authorities, potential outcomes could include enforcement proceedings or settlements resulting in fines, penalties and/or changes in business practices that could materially and adversely affect our results of operations and future growth prospectus. In addition, these investigations may result in changes in laws and regulations affecting the industry in general which could, in turn, also materially and adversely affect our results of operations.

The insurance business is heavily regulated and changes in regulation may reduce our profitability and limit our growth following the Merger.

Following the Merger, we will be extensively regulated and supervised in the jurisdictions in which we conduct business, including licensing and supervision by government regulatory agencies in such jurisdictions. This regulatory system is generally designed to protect the interests of policyholders, and not necessarily the interests of insurers, their stockholders and other investors. This regulatory system also addresses authorization for lines of business, capital and surplus requirements, limitations on the types and amounts of certain investments, underwriting limitations, transactions with affiliates, dividend limitations, changes in control, premium rates and a variety of other financial and non-financial components of an insurer's business.

In recent years, the state insurance regulatory framework has come under increased federal scrutiny, and some state legislatures have considered or enacted laws that may alter or increase state authority to regulate insurance companies and insurance holding companies. Further, the National Association of Insurance Commissioners (“NAIC”) and state insurance regulators continually reexamine existing laws and regulations, specifically focusing on modifications to holding company regulations, interpretations of existing laws and the development of new laws and regulations. In addition, Congress and some federal agencies from time to time investigate the current condition of insurance regulation in the United States to determine whether to impose federal or national regulation or to allow an optional federal charter, similar to the option available to most banks. We cannot predict the effect any proposed or future legislation or NAIC initiatives may have on the conduct of our business following the Merger.

Although the United States federal government does not directly regulate the insurance business, changes in federal legislation, regulation and/or administrative policies in several areas, including changes in financial services regulation (e.g., the repeal of the McCarran-Ferguson Act) and federal taxation, can significantly harm the insurance industry.

Insurance laws or regulations that are adopted or amended may be more restrictive than current laws or regulations and may result in lower revenues and/or higher costs and thus could materially and adversely affect our results of operations and future growth prospectus.

A downgrade in United’s financial strength rating could adversely impact our business volume, adversely impact our ability to access the capital markets and increase our borrowing costs, following the Merger.

Financial strength ratings have become increasingly important to an insurer's competitive position. Rating agencies review their ratings periodically, and our current ratings may not be maintained in the future. A downgrade in our rating following the Merger could negatively impact our business volumes, as it is possible demand for certain of our products in certain markets may be reduced or our ratings could fall below minimum levels required to maintain existing business. Additionally, we may find it more difficult to access the capital markets and we may incur higher borrowing costs. If significant losses, such as those resulting from one or more major catastrophes, or significant reserve additions were to cause our capital position to deteriorate significantly, or if one or more rating agencies substantially increase their capital requirements, we may need to raise equity capital in the future in order to maintain our ratings or limit the extent of a downgrade. For example, a continued trend of more frequent and severe weather-related catastrophes may lead rating agencies to substantially increase their capital requirements.

Our investment portfolio may suffer reduced returns or losses.

Investment returns are expected to be an important part of our overall profitability following the Merger. Accordingly, fluctuations in interest rates or in the fixed income, real estate, equity or alternative investment markets could materially and adversely affect our results of operations.

Changes in the general interest rate environment will affect our returns on, and the market value of, our fixed income and short-term investments following the Merger. A decline in interest rates reduces the returns available on new investments, thereby negatively impacting our net investment income. Conversely, rising interest rates reduces the market value of existing fixed income investments. In addition, defaults under, or impairments of, any of these investments as a result of financial problems with the issuer and, where applicable, its guarantor of the investment could reduce our net investment income and net realized investment gains or result in investment losses.

We may decide to invest a portion of our assets following the Merger in equity securities or other investments, which are subject to greater volatility than fixed income investments. General economic conditions, stock market conditions and many other factors beyond our control can adversely affect the value of our non-fixed income investments and the realization of net investment income. As a result of these factors, we may not realize an adequate return on our investments, we may incur losses on sales of our investments and we may be required to write down the value of our investments, which could reduce our net investment income and net realized investment gains or result in investment losses.

The value of our investment portfolio can be subject to valuation uncertainties when the investment markets are dislocated. The valuation of investments is more subjective when the markets are illiquid and may increase the risk that the estimated fair value (i.e., the carrying amount) of the investment portfolio is not reflective of prices at which actual transactions would occur.

Our investment portfolio may be invested, in significant part, in tax-exempt obligations. Our portfolio may also benefit from certain other tax laws, including, but not limited to, those governing dividends-received deductions and tax credits. Federal and/or state tax legislation could be enacted that would lessen or eliminate some or all of these tax advantages and could adversely affect the value of our investment portfolio. This result could occur in the context of deficit reduction or various types of fundamental tax reform.

United depends on its network of independent agents for revenues, and therefore, United's business may be materially and adversely affected if it cannot retain and attract independent agents or if it experiences disruptions in its relationships with its independent agents.

United's network of 1,400 independent agents accounts for approximately 64% of the gross premiums on insurance policies that it writes and constitutes its primary distribution channel for its products. Many of United's competitors also rely on independent agents. Independent agents are not obligated to market or sell United's insurance products or consult with United. As a result, United must compete with other insurers for independent agents' business. Some of United's competitors may offer a larger variety of products, lower prices for insurance coverage and higher commissions for independent agents. If United's products, pricing and commissions do not remain competitive, United may find it more difficult to attract business from independent agents to sell its products. A material reduction in the amount of United's products that independent agents sell would negatively affect its results of operations. A certain portion of United's business is concentrated with relatively few agents. For example, for the six months ended June 30, 2008, and the year ended December 31, 2007, our top five agents produced 50% and 25%, respectively, of our gross premiums written. Loss of all or a substantial portion of the business provided through such agents and brokers could materially and adversely affect United's future business volume and results of operations.

United relies on Internet applications for the marketing and sale of certain products through its agents, and may increasingly rely on Internet applications and toll-free numbers for distribution following the Merger. If Internet disruptions occur causing United's independent agents frustration with its business platforms or distribution initiatives, the resulting loss of business could materially and adversely affect United's future business volume and results of operations.

We could be adversely affected if United's controls to ensure compliance with guidelines, policies and legal and regulatory standards are not effective.

United's business is highly dependent on its ability to engage on a daily basis in a large number of insurance underwriting, claim processing and investment activities, many of which are highly complex and are subject to state laws and regulations in Florida. These activities, involve, among other things:

- the use of non-public consumer information and related privacy issues;

- the use of credit history in underwriting;
- limitations on the ability to charge additional policy fees;
- limitations on the payment of dividends;
- limitations on types and amounts of investments;
- the acquisition or disposition of an insurance company or of any company controlling an insurance company;
- the purchase of reinsurance;
- reporting with respect to financial condition; and
- periodic financial and market conduct examinations performed by state insurance department examiners.

United develops internal guidelines and policies in an effort to ensure compliance with legal and regulatory standards governing its business. A control system, no matter how well designed and operated, can provide only reasonable assurance that the control system's objectives will be met. If United’s controls prove to be ineffective, it could lead to financial loss, unanticipated risk exposure (including underwriting, credit and investment risk) or damage to United’s reputation.

United's failure to implement and maintain adequate internal controls over financial reporting in its business could have a material adverse effect on its business, financial condition, results of operations and stock price.

If the Merger is consummated, United expects to comply with Section 404 of the Sarbanes-Oxley Act of 2002 no later than the time it is required to file its annual report for fiscal year 2008 with the Securities and Exchange Commission. Section 404 requires annual management assessments of the effectiveness of United's internal controls over financial reporting and a report by United's independent auditors on the effectiveness of our internal controls. United is in the process of documenting its internal control procedures in order to satisfy the requirements of Section 404. United has begun to take measures to address and improve its financial reporting and compliance capabilities and it is in the process of instituting changes to satisfy its obligations as a public company, including the requirements associated with the Sarbanes-Oxley Act of 2002.

If United fails to achieve and maintain the adequacy of its internal controls in accordance with applicable standards as then in effect, and as supplemented or amended from time to time, United may be unable to conclude on an ongoing basis that it has effective internal controls over financial reporting in accordance with Section 404. Moreover, effective internal controls are necessary for United to produce reliable financial reports. If United cannot produce reliable financial reports or otherwise maintain appropriate internal controls, its business, financial condition and results of operations could be harmed, investors could lose confidence in its reported financial information, and the market price for its stock could decline.

If we experience difficulties with technology, data security and/or outsourcing relationships following the Merger our ability to conduct our business could be negatively impacted.

While technology can streamline many business processes and ultimately reduce the cost of operations, technology initiatives present certain risks. United's business is highly dependent upon its contractors and third-party administrators ability to perform, in an efficient and uninterrupted fashion, necessary business functions, such as the processing of new and renewal business, and the processing and payment of claims. Because our information technology and telecommunications systems interface with and depend on these third-party systems, we could experience service denials if demand for such service exceeds capacity or a third-party system fails or experiences an interruption. If sustained or repeated, such a business interruption, system failure or service denial could result in a deterioration of our ability to write and process new and renewal business, provide customer service, pay claims in a timely manner or perform other necessary business functions. Computer viruses, hackers and other external hazards could expose our data systems to security breaches. These increased risks, and expanding regulatory requirements regarding data security, could expose us to data loss, monetary and reputational damages and significant increases in compliance costs. As a result, our ability to conduct our business might be adversely affected.

Attempts to grow our business could have an adverse effect on the Company.

Although rapid growth may not occur, to the extent that it does occur, it could place a significant strain on our financial, technical, operational and administrative resources. Our planned growth may result in increased responsibility for both existing and new management personnel. Effective growth management will depend upon our ability to integrate new personnel, to improve our operational, management and financial systems and controls, to train, motivate and manage our employees, and to increase our services and capabilities. Our ability to effectively manage our future growth may have a material and adverse effect on our results of operations, financial condition, and viability as a business. In addition, growth may not occur or growth may not produce profits for the Company.

United has entered into certain debt agreements, which may reduce our financial flexibility following the Merger.

In February of 2007, United and UIM entered into a loan agreement with CB&T which provides for a term loan in the amount of $33 million. The CB&T term note provides for accrual and monthly payment of interest on the amount of principal then outstanding under the note and provides for principal to be paid in 36 equal monthly installments of approximately $0.9 million. On August 11, 2008, the CB&T agreement was modified to allow for payments of interest only from August 1, 2008 through March 31, 2009. The entire unpaid principal balance, as well as all accrued and unpaid interest thereon, will be due and payable no later than February 20, 2010.

On September 22, 2006, UPCIC entered into a surplus note with the SBA (the “SBA note”). Under the SBA note, which has a 20 year term, UPCIC is required to make quarterly payments (October 1, January 1, April 1, and July 1). For the first three years of the SBA note, UPCIC is only required to make interest payments. Because United Insurance failed to meet certain financial covenants contained in the SBA note, the interest rate under the SBA note was 8.6% for the first quarter of 2008 and 7.97% for the second quarter of 2008. UPCIC’s ratio of net written premium to surplus at June 30, 2008 was 1.52:1 which is at least 1.5:1. As a result, UPCIC will incur an interest rate charge of 25 basis points above the stated rate which is the 10 Year Constant Treasury rate for the third quarter of 2008. UPCIC has no debt service obligation under the SBA note until September 2009, and management does not anticipate making any debt payments on the loan during the fiscal year ended December 31, 2008.

We expect we will continue to have outstanding debt obligations under both the CB&T loan agreement and the SBA note following the Merger. This level of debt may affect our operations in several important ways, including the following:

- a portion of our cash flow from operations is likely to be dedicated to the payment of the principal of and interest on this indebtedness;
- our ability to obtain additional financing in the future for working capital, capital expenditures or acquisitions may be limited;
- we may be unable to refinance this indebtedness on terms acceptable to us, or at all; and
- we may default on our obligations and the lenders may accelerate the indebtedness or foreclose on their security interests that secure their loans.

From time to time we may enter into additional secured credit facilities to finance any or all of the Company's capital requirements. Any such secured credit facility may have a material and adverse effect on the Company.

From time to time following the Merger, we may enter into additional secured credit facilities to finance any or all of our capital requirements. As part of a secured credit facility, we would likely be required to make periodic payments of principal and interest to the lender. We can provide no assurance we will have cash flow in an amount sufficient to repay our debt obligations under any or all of such secured credit facilities. Furthermore, these secured credit facilities normally contain numerous default provisions and may or may not provide us with the possibility to cure a default before accelerating the due date. If this were to happen, we might not be able to repay any or all of our secured debts in full and might be forced to declare bankruptcy. If the lender is a secured lender, the lender would have a priority right to receive repayment from a bankruptcy estate or may have the right to foreclose on the secured assets if we are not in bankruptcy but are in default of its secured contract. In addition, a default under any secured credit facility may force us to seek bankruptcy protection. As such, the fact that we may, from time to time, enter into secured credit facilities with any person, business, or organization, whether related or unrelated, may have a material and adverse effect on the financial position, results of operations and viability of the Company.

RISKS RELATED TO THE COMPANY'S CURRENT STATUS AS A BLANK CHECK COMPANY

Our sponsor warrants are non-redeemable provided they are held by the initial purchasers or their permitted transferees, which could provide such purchasers the ability to realize a larger gain than our public warrants holders.

As set forth above, the warrants held by our public warrant holders may be called for redemption at any time after the warrants become exercisable upon satisfaction of certain conditions. However, the 1,250,000 warrants (less such number as is forfeited pursuant to the Merger Agreement) purchased by our founders are not subject to redemption . As a result, holders of the insider warrants, or their permitted transferees, could realize a larger gain than our public warrant holders.

Our directors may not be considered "independent" under the policies of the North American Securities Administrators Association, Inc. and we thus may not have the benefit of independent directors examining our financial statements and the propriety of expenses incurred on our behalf subject to reimbursement.

All of our officers and directors own shares of our common stock and will own common stock following consummation of the Merger. No salary or other compensation has been or will be paid to our officers or directors for services rendered by them on our behalf prior to or in connection with the Merger. Although we believe three of the

members of our Board of Directors are “independent” as that term is commonly used, under the policies of the North American Securities Administrators Association, Inc., because our directors may receive reimbursement for out-of-pocket expenses incurred by them in connection with activities on our behalf such as identifying potential merger partners and performing due diligence on suitable business combinations, it is likely state securities administrators would take the position we do not have the benefit of independent directors examining the propriety of expenses incurred on our behalf and subject to reimbursement. Additionally, there is no limit on the amount of out-of-pocket expenses that could be incurred and there is no review of the reasonableness of the expenses by anyone other than our Board of Directors, which would include persons who may seek reimbursement, or a court of competent jurisdiction if such reimbursement is challenged. Although we believe all actions taken by our directors on our behalf have been and will be in our best interests, whether or not any directors are deemed to be "independent," we cannot assure you this will actually be the case. If actions are taken or expenses are incurred that are actually not in our best interests, it could have a material adverse effect on our business and operations and the price of our stock held by the public stockholders.

Our outstanding warrants may have an adverse effect on the market price of common stock and make it more difficult to obtain public financing in the future.

In connection with the IPO, we issued warrants to purchase 4,733,625 shares of common stock. In connection with the Merger, we will issue an additional 1,093,750 warrants, plus up to an additional 212,877 warrants. Furthermore, certain of our directors own an aggregate of 1,099,266 shares of common stock and 1,250,000 warrants (to the extent not forfeited pursuant to the Merger Agreement). The sale or even the possibility of sale, of the shares underlying these warrants, could have an adverse effect on the price for our securities on the equity market and on our ability to obtain public financing in the future. If and to the extent these warrants are exercised, you may experience dilution to your holdings which may correspond with a decline in value of the market price for our stock.

If our initial stockholders exercise their registration rights, it may have an adverse effect on the market price of our common stock.

Our initial stockholders are entitled to require us to register the resale of their shares of common stock at any time after the date on which their shares are released from escrow, which, except in limited circumstances, will not be before the one year anniversary of the consummation of a business combination. If our initial stockholders exercise their registration rights with respect to all of their 1,183,406 shares of common stock and the shares of common stock underlying the 1,250,000 warrants, then there will be an additional 2,433,406 shares of common stock (less such number as is forfeited by FMG Investors LLC pursuant to the Merger Agreement) eligible for trading in the public market, assuming the Merger is approved. The presence of this additional number of shares of common stock eligible for trading in the public market may have an adverse effect on the market price of our common stock.

Provisions in our charter documents and Delaware law may inhibit a takeover of us, which could limit the price potential investors might be willing to pay in the future for our common stock and could entrench management.

Our charter and bylaws contain provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. Our Board of Directors is divided into two classes, each of which will generally serve for a term of two years with only one class of directors being elected in each year. As a result, at any annual meeting not all of the Board of Directors will be considered for election. Since our "staggered board" could prevent our stockholders from replacing a majority of our Board of Directors at any annual meeting, it may entrench management and discourage unsolicited stockholder proposals that may be in the best interests of stockholders.

Moreover, our Board of Directors has the ability to designate the terms of and issue new series of preferred stock which could be issued to create different or greater voting rights which may affect an acquiror's ability to gain control of the Company.

We are also subject to anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together these provisions may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities.

If we are forced to declare bankruptcy prior to consummation of our initial business combination, you may receive less than $7.91 per share from the trust account.

If we are forced to file a bankruptcy case or an involuntary bankruptcy case is filed against us under Chapters 7 or 11 of the United States Bankruptcy Code, and that claim is not dismissed, the funds held in our trust account will be subject to applicable bankruptcy law and may be included in our bankruptcy estate. Furthermore, the estate may be subject to administrative expenses, including but not limited to post-petition legal fees including court costs, the securitization of cash collateral to maintain the business as a going concern, obtaining additional financing, taxes

owed, and claims of both secured and unsecured third parties with priority over those claims of our public stockholders. To the extent bankruptcy claims deplete the trust account; we cannot assure you we will be able to return to our public stockholders the liquidation amounts due to them. Accordingly, the actual per share amount distributed from the trust account to our public stockholders could be significantly less than approximately $7.91 per share due to the claims of creditors. This amount has been calculated without taking into account interest earned on the trust account. Claims by creditors could cause additional delays in the distribution of trust accounts to the public stockholders beyond the time periods required to comply with the Delaware General Corporation Law procedures and federal securities laws and regulations.

RISKS RELATED TO THE PRIVATE PLACEMENT AND EXCHANGE OFFER

The Notes issued in the private placement and will rank senior to our common stock with respect to distributions upon our liquidation.

The Notes issued in the private placement will rank senior to our common stock for purposes of any liquidation event. Accordingly, as long as any Notes are outstanding, no distributions upon liquidation may be made to the holders of our common stock unless the holders of the Notes have received all amounts to which they are then entitled under the Notes. As a result, it is possible that, upon liquidation, all of the amounts available for distribution to our equity holders would be paid to the holders of the Notes and our stockholders would not receive any payment.

After the private placement and exchange offer, holders of the Notes may have influence or control over our management and affairs.

The note purchase agreement includes certain negative covenants, which restrict the Company from engaging in certain activities. Accordingly, the Company's ability to incur additional debt, sell or lease its assets, make any payment to reduce its capital (including paying any dividends), merge, sell or acquire assets, change its line of business or dissolve will be limited. A majority of the holders of the Notes have the discretion to waive certain of these negative covenants. As a result, these holders may have influence or control over our management and affairs and could make it more difficult or even impossible for a third party to acquire FMG without its consent.

RISKS RELATING TO THE TENDER OFFER

A stockholder is not guaranteed to be able to sell all of its shares to us as part of the tender offer.

On August 29, 2008, we commenced a tender offer to repurchase up to 3,320,762 shares of our common stock (reduced by the number of shares for which conversion is elected) at a price of $8.05 per share. Due to the fact there will be 3,864,060 shares of common stock outstanding after the exchange of shares that are not held by the founding stockholders, who have agreed not to tender any shares, it is possible the tender offer will be oversubscribed. In such an event, we will purchase the shares pro rata, which means that each stockholder who accepts the offer will have only a portion of such stockholder's shares bought by us. Consequently, a stockholder cannot be assured it will be able to sell all of its shares to us as part of the tender offer.

If certain events do not take place, FMG will not complete the tender offer.

FMG plans to use the proceeds of the private placement to complete the tender offer. The private placement is conditioned on stockholder approval of Proposals 1, 2, 3 and 5. If Proposals 1, 2, 3 and 5 are not approved by stockholders, FMG will not complete the tender offer.

We may encounter delays in completing the tender offer.

The tender offer will be made only pursuant to the terms of the Schedule TO and an offer to purchase which we filed with the SEC in connection with our planned tender offer. Such tender offer will be effected in compliance with the requirements of Rule 13e-4 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and all other applicable securities laws and regulations. There can be no assurance we will not encounter delays in completing the tender offer as a result of our need to comply with applicable securities laws.

Our repurchase of shares pursuant to our planned tender offer could reduce the liquidity of the trading market for our common stock.

The tender of a significant number of outstanding shares of common stock to FMG in the tender offer would decrease the number of outstanding shares available for sale in the public market and therefore could adversely affect the liquidity of the trading market for our common stock. Such diminished liquidity could have an adverse effect on the market price of our common stock following the completion of the tender offer.

FORWARD-LOOKING STATEMENTS

We believe some of the information in this proxy statement/prospectus constitutes forward-looking statements. You can identify these statements by forward-looking words such as “may,” “expect,” “anticipate,” “contemplate,” “believe,” “estimate,” “intends,” and “continue” or similar words. You should read statements that contain these words carefully because they:

· discuss future expectations;

· contain projections of future results of operations or financial condition; and

· state other “forward-looking” information.

There may be events in the future the Company is not able to accurately predict or over which the Company has no control. The risk factors and cautionary language discussed in this proxy statement/prospectus provide examples of risks, uncertainties and events which may cause actual results to differ materially from the expectations described by the Company in its forward-looking statements, including among other things:

· changing interpretations of generally accepted accounting principles;

· the general volatility of the market price of our securities;

· the availability of qualified personnel;

· changes in interest rates or the debt securities markets

· outcomes of government reviews, inquiries, investigations and related litigation;

· continued compliance with government regulations;

· legislation or regulatory environments, requirements or changes adversely affecting the businesses in which United is engaged;

· statements about industry trends;

· general economic conditions; and

· geopolitical events.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this proxy statement/prospectus.

All forward-looking statements included herein attributable to the Company, United or any person acting on either party’s behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We caution you that these statements are based on a combination of facts currently known by FMG and United and our projections of the future, about which we cannot be certain. Except to the extent required by applicable laws and regulations, the Company undertakes no obligation to update these forward-looking statements to reflect events or circumstances after the date of this proxy statement/prospectus or to reflect the occurrence of unanticipated events.

Before you grant your proxy or instruct how your vote should be cast or vote on the approval of the Merger you should be aware that the occurrence of the events described in the “Risk Factors” section and elsewhere in this proxy statement/prospectus could have a material adverse effect on the Company, or United, upon completion of the Merger, private placement and tender offer.

THE COMPANY SPECIAL MEETING OF STOCKHOLDERS

The Company Special Meeting

The Company is furnishing this proxy statement to you as part of the solicitation of proxies by the Company Board of Directors for use at the Special Meeting in connection with the proposed Acquisition, the proposed First Amendment, the proposed Second Amendment, the proposed Third Amendment, the proposed Director elections and the proposed Adjournment. This proxy statement provides you with the information you need to be able to vote or instruct your vote to be cast at the Special Meeting.

Date, Time and Place

The Special Meeting will be held at , Eastern Time, on , 2008, at the offices of , to vote on each of the Merger Proposal, the First Amendment Proposal, the Second Amendment Proposal, the Third Amendment Proposal, the Director Proposal and the Adjournment Proposal.

Purpose of the Special Meeting

At the Special Meeting, you will be asked to consider and vote upon the following:

- The Merger Proposal—the proposed acquisition of all of the membership units of United Insurance Holdings, L.C., a limited liability company formed under the laws of the State of Florida, pursuant to the Merger Agreement, dated as of April 2, 2008, as amended and restated on August 15, 2008, by and among the Company, United and United Subsidiary and the transactions contemplated thereby ("Proposal 1" or the "Merger Proposal");

- The First Amendment Proposal—the amendment to the Company's amended and restated certificate of incorporation (the "First Amendment"), to remove certain provisions containing procedural and approval requirements applicable to the Company prior to the consummation of the business combination that will no longer be operative after the consummation of the Merger ("Proposal 2" or the "First Amendment Proposal");

- The Second Amendment Proposal—the amendment to the Company's amended and restated certificate of incorporation (the "Second Amendment"), to increase the amount of authorized shares of common stock from 20,000,000 to 50,000,000 ("Proposal 3" or the "Second Amendment Proposal");

- The Third Amendment Proposal—the amendment to the Company's amended and restated certificate of incorporation (the "Third Certificate of Incorporation Amendment"), to change the name of the Company to United Insurance Holdings Corp. ("Proposal 4" or the "Third Amendment Proposal");

- The Director Proposal—to elect three (3) directors to the Company's Board of Directors to hold office until the next annual meeting of stockholders and until their successors are elected and qualified ("Proposal 5" or the "Director Proposal");

- The Adjournment Proposal—to consider and vote upon a proposal to adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation and vote of proxies in the event that, based upon the tabulated vote at the time of the Special Meeting, the Company would not have been authorized to consummate the Merger—we refer to this proposal as the adjournment proposal. ("Proposal 6" or the "Adjournment Proposal"); and

- such other business as may properly come before the meeting or any adjournment or postponement thereof.

The Company's Board of Directors:

· has unanimously determined the Merger Proposal, the First Amendment Proposal, the Second Amendment Proposal, the Third Amendment Proposal, the Director Proposal, and the Adjournment Proposal are fair to, and in the best interests of, the Company and its stockholders;

· has determined the consideration to be paid in connection with the Merger is fair to our current stockholders from a financial point of view and the fair market value of United is equal to or greater than 80% of the value of the net assets of the Company;

· has unanimously approved and declared it advisable to approve the Merger Proposal, the First Amendment Proposal, the Second Amendment Proposal, the Third Amendment Proposal, the Director Proposal and the Adjournment Proposal; and

· unanimously recommends the holders of the Company common stock vote "FOR" Proposal 1, the Merger Proposal, "FOR" Proposal 2, the First Amendment Proposal; "FOR" Proposal 3, the Second Amendment Proposal; "FOR" Proposal 4, the Third Amendment Proposal; "FOR" Proposal 5, the Director Proposal; and "FOR" Proposal 6, the Adjournment Proposal.

Record Date; Who is Entitled to Vote

The Record Date for the Special Meeting is , 2008. Record holders of the Company common stock at the close of business on the Record Date are entitled to vote or have their votes cast at the Special Meeting. On the Record Date, there were outstanding shares of the Company common stock.

Each share of the Company common stock is entitled to one vote at the Special Meeting.

Any shares of the Company common stock held by our officers and directors prior to the Company's IPO will be voted in accordance with the majority of the votes cast at the Special Meeting with respect to the Merger Proposal. Any shares of the Company common stock acquired by our officers and directors in the Company's IPO or afterwards will be voted in favor of the Merger. We have a total of 5,917,031 shares outstanding, of which 1,183,406 were issued prior to the IPO and are held by our officers, directors and special advisor.

The Company's issued and outstanding warrants do not have voting rights and record holders of the Company warrants will not be entitled to vote at the Special Meeting.

Voting Your Shares

Each share of the Company common stock that you own in your name entitles you to one vote. Your proxy card shows the number of shares of the Company common stock that you own.

There are two ways to vote your shares of Company common stock:

· You can vote by signing and returning the enclosed proxy card. If you vote by proxy card, your "proxy," whose name is listed on the proxy card, will vote your shares as you instruct on the proxy card. If you sign and return the proxy card, but do not give instructions on how to vote your shares, your shares will be voted, as recommended by the Company Board, "FOR" Proposal 1, the Merger Proposal, "FOR" Proposal 2, the First Amendment Proposal; "FOR" Proposal 3, the Second Amendment Proposal; "FOR" Proposal 4, the Third Amendment Proposal; "FOR" Proposal 5, the Director Proposal; and "FOR" Proposal 6, the Adjournment Proposal.

· You can attend the Special Meeting and vote in person. The Company will give you a ballot when you arrive. However, if your shares are held in the name of your broker, bank or another nominee, you must get a proxy from the broker, bank or other nominee. That is the only way the Company can be sure that the broker, bank or nominee has not already voted your shares.

Who Can Answer Your Questions About Voting Your Shares

If you have any questions about how to vote or direct a vote in respect of your Company common stock, you may call our Secretary, Larry G. Swets, Jr. at (860) 677-2701.

No Additional Matters May Be Presented at the Special Meeting

The Special Meeting has been called only to consider the approval of the Merger Proposal, the First Amendment Proposal, the Second Amendment Proposal, the Third Amendment Proposal, the Director Proposal and the Adjournment Proposal. Under the Company's bylaws, other than procedural matters incident to the conduct of the meeting, no other matters may be considered at the Special Meeting if they are not included in the notice of the meeting.

Revoking Your Proxy

If you give a proxy, you may revoke it at any time before it is exercised by doing any one of the following:

·You may send another proxy card with a later date;

· You may notify Corporate Secretary, addressed to the Company, in writing before the Special Meeting that you have revoked your proxy; and

· You may attend the Special Meeting, revoke your proxy, and vote in person.

Quorum; Vote Required

The approval and adoption of the Merger Agreement and the transactions contemplated thereby will require the affirmative vote of a majority of the shares of the Company's common stock issued in the Company's IPO cast at the Special Meeting. A total of 4,733,625 shares were issued in our IPO. In addition, notwithstanding the approval of a majority, if the holders of 1,419,615 or more shares of common stock issued in the Company's IPO vote against the Merger and demand conversion of their shares into a pro rata portion of the trust account, then the Company will not be able to consummate the Merger. Each Company stockholder that holds shares of common stock issued in the Company's IPO or purchased following such offering in the open market has the right, assuming such stockholder votes against the Merger Proposal and, at the same time, demands the Company convert such stockholder's shares into cash equal to a pro rata portion of the trust account in which a substantial portion of the net proceeds of the Company's IPO is deposited. These shares will be converted into cash only if the Merger is consummated and the stockholder requesting conversion holds such shares until the date the Merger is consummated and tenders such shares to our stock transfer agent at or prior to the vote at the Special Meeting on the Merger Proposal.

For the purposes of Proposal 2, the affirmative vote of the majority of the Company's issued and outstanding common stock as of the Record Date is required to approve the First Amendment Proposal. For the purposes of Proposal 3, the affirmative vote of the majority of the Company's issued and outstanding common stock as of the Record Date is required to approve the Second Amendment Proposal. For the purposes of Proposal 4, the affirmative vote of the majority of the Company's issued and outstanding common stock as of the Record Date is required to approve the Third Amendment Proposal. For purposes of Proposal 5, the affirmative vote of the holders of a plurality of the shares of common stock cast in the election of directors is required. For purposes of Proposal 6 the affirmative vote of a majority of the shares of the Company's common stock that are present in person or by proxy and entitled to vote is required to approve the Adjournment Proposal.

It is important for you to note that in the event the Merger Proposal does not receive the necessary vote to approve such proposal, the Company will not consummate that Acquisition or any other proposal, unless the Adjournment Proposal is approved. None of United or its affiliates own any shares of Company common stock entitled to vote at the Special Meeting; however, they are not prohibited from making such purchases in the event they determine to do so.

Abstentions and Broker Non-Votes

If your broker holds your shares in its name and you do not give the broker voting instructions, under the rules of FINRA, your broker may not vote your shares on the proposals to approve the Merger pursuant to the Merger Agreement. If you do not give your broker voting instructions and the broker does not vote your shares, this is referred to as a "broker non-vote." Abstentions and broker non-votes are counted for purposes of determining the presence of a quorum.

As long as a quorum is established at the Special Meeting, if you return your proxy card without an indication of how you desire to vote, it: (i) will have the same effect as a vote in favor of the Merger Proposal and will not have the effect of converting your shares into a pro rata portion of the trust account in which a substantial portion of the net proceeds of the Company's IPO are held, unless an affirmative vote against the Merger Proposal is made and an affirmative election to convert such shares of common stock is made on the proxy card; (ii) will have the same effect as a vote in favor of the First Amendment Proposal; (iii) will have the same effect as a vote in favor of the Second Amendment Proposal; (iv) will have the same effect as a vote in favor of the Third Amendment Proposal; (v) will have no effect on the Director Proposal; and (vi) will have the same effect as a vote in favor of the Adjournment Proposal.

Since the Merger Proposal requires only the affirmative vote of a majority of the Company shares issued in the IPO that cast a vote at the Special Meeting, abstentions or broker non-votes will not count towards such number. This has the effect of making it easier for the Company to obtain a vote in favor of the Merger Proposal as opposed to some of the Company's other proposals or as opposed to the vote generally required under the Delaware General Corporation Law, namely a majority of the shares issued and outstanding. Furthermore, in connection with the vote required for the Merger Proposal, the founding stockholders of the Company have agreed to vote their shares of common stock owned or acquired by them at or prior to the IPO in accordance with the majority of the Company's shares issued in the IPO.

Conversion Rights

Any stockholder of the Company holding shares of common stock issued in the Company's IPO who votes against the Merger Proposal may, at the same time, demand the Company convert his shares into a pro rata portion of the trust account. You must mark the appropriate box on the proxy card in order to demand the conversion of your shares. If so demanded, the Company will convert these shares into a pro rata portion of the net proceeds from the IPO that were deposited into the trust account, plus your pro rated interest earned thereon after such date (net of taxes and amounts disbursed for working capital purposes and excluding the amount held in the trust account representing a portion of the underwriters' discount), if the Merger is consummated. If the holders of 1,419,614 or more shares of common stock issued in the Company's IPO vote against the Merger Proposal and demand conversion of their shares into a pro rata portion of the trust account, the Company will not be able to consummate the Merger. Based on the amount of cash held in the trust account as of June 30, 2008, without taking into account any interest or income taxes accrued after such date, you will be entitled to convert each share of common stock that you hold into approximately $7.91 per share (after a provision for payment of working capital costs and taxes). In addition, the Company will be liquidated if a business combination is not consummated by October 4, 2009. In any liquidation, the net proceeds of the Company's IPO held in the trust account, plus any interest earned thereon (net of taxes and amounts disbursed for working capital purposes and excluding the amount held in the trust account representing a portion of the underwriters' discount), will be distributed on a pro rata basis to the holders of the Company's common stock other than the officers, directors, special advisors and sponsor of FMG, none of whom will share in any such liquidation proceeds.

If you exercise your conversion rights, then you will be exchanging your shares of Company common stock for cash and will no longer own these shares. You will only be entitled to receive cash for these shares if you tender your stock certificate to the Company at or prior to the Special Meeting. The closing price of the Company's common stock on August 29, 2008, the most recent trading day practicable before the printing of this proxy statement/prospectus, was $7.60. The amount of cash held in the trust account was approximately $37.5 million as of June 30, 2008 (before taking into account disbursements for working capital and taxes). If a Company stockholder would have elected to exercise his conversion rights on such date, then he would have been entitled to receive $7.91 per share, plus interest accrued thereon subsequent to such date (net of taxes and amounts disbursed for working capital purposes and excluding the amount held in the trust account representing a portion of the underwriters' discount). Prior to exercising conversion rights, the Company stockholders should verify the market price of the Company's common stock as they may receive higher proceeds from the sale of their common stock in the public market than from exercising their conversion rights.

You will be required, whether you are a record holder or hold your shares in "street name", either to tender your certificates to our transfer agent or to deliver your shares to the Company's transfer agent electronically using the Depository Trust Company's DWAC (Deposit/Withdrawal At Custodian) System, at your option, at any time at or prior to the vote at the Special Meeting on the Merger Proposal. There is typically a $35 cost associated with this tendering process and the act of certificating the shares or delivering them through the DWAC system. The transfer agent will typically charge the tendering broker this $35, and the broker may or may not pass this cost on to you.

You will have sufficient time from the time we send out this proxy statement/prospectus through the time of the vote on the Merger Proposal to deliver your shares if you wish to exercise your conversion rights. However, as the delivery process can be accomplished by you, whether or not you are a record holder or your shares are held in "street name", within a business day, by simply contacting the transfer agent or your broker and requesting delivery of your shares through the DWAC System, we believe this time period is sufficient for an average investor.

Any request for conversion, once made, may be withdrawn at any time up to immediately prior to the vote on the Merger Proposal at the Special Meeting (or any adjournment or postponement thereof). Furthermore, if you delivered a certificate for conversion and subsequently decided prior to the meeting not to elect conversion, you may simply request that the transfer agent return the certificate (physically or electronically) to you. The transfer agent will

typically charge an additional $35 for the return of the shares through the DWAC System.

Please note, however, that once the vote on the Merger Proposal is held at the Special Meeting, you may not withdraw your request for conversion and request the return of your stock certificate (either physically or electronically). If the Merger is not completed, your stock certificate will be automatically returned to you.

Stockholders will not be entitled to exercise their conversion rights if such stockholders return proxy cards to the Company without an indication of how they desire to vote with respect to the Merger Proposal or, for stockholders holding their shares in street name, if such stockholders fail to provide voting instructions to their brokers. Proxies received by the Company without an indication of how the stockholders intend to vote on a proposal will be voted in favor of such proposal.

Appraisal or Dissenters Rights

No appraisal rights are available under the Delaware General Corporation Law to the stockholders of the Company in connection with the Merger Proposal. The only rights for those stockholders voting against the Merger who wish to receive cash for their shares is to simultaneously demand payment for their shares from the trust account.

Under Florida Statute 608.4352 of the Florida Limited Liability Company Act (the "FLLCA"), the members of United will be entitled to dissent from the Merger and obtain cash payment for the fair value of their membership units instead of the consideration provided for in the Merger Proposal. For a more complete description of these rights, see "United Member Approval."

Solicitation Costs

The Company is soliciting proxies on behalf of the Company Board of Directors. This solicitation is being made by mail but also may be made by telephone or in person. The Company and its respective directors and officers may also solicit proxies in person, by telephone or by other electronic means, and in the event of such solicitations, the information provided will be consistent with this proxy statement and enclosed proxy card. These persons will not be paid for doing this. The Company will ask banks, brokers and other institutions, nominees and fiduciaries to forward its proxy statement materials to their principals and to obtain their authority to execute proxies and voting instructions. The Company will reimburse them for their reasonable expenses.Mackenzie Partners, Inc., a proxy solicitation firm we have engaged to assist us in soliciting proxies, will be paid its customary fee of approximately $7,500 plus $5.00 per solicited stockholder and out-of-pocket expenses, and we expect the total fees and expenses payable to Mackenzie Partners, Inc. will not exceed approximately $20,000.

Stock Ownership

Of the 5,917,031 outstanding shares of the Company's common stock, the Company's initial stockholders, including all of its officers, directors and its special advisor and their affiliates, who purchased shares of common stock prior to the Company's IPO and who own an aggregate of approximately 20% of the outstanding shares of the Company common stock (1,183,406 shares), have agreed to vote such shares acquired prior to the IPO in accordance with the vote of the majority in interest of all other stockholders on the Merger Proposal. Moreover, all of these persons have agreed to vote all of their shares which were acquired in or following the IPO, if any, in favor of the Merger Proposal. See "Beneficial Ownership of Securities - Beneficial Ownership Following the Merger" for information regarding the beneficial ownership of FMG common stock following the Merger.

The following table sets forth information regarding the beneficial ownership of our common stock as of August 29, 2008 by:

· each person known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock;

· each of our officers and directors; and

· all our officers and directors as a group.

Unless otherwise indicated, we believe all persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned by them.

	Common Stock	
Name and Address of Beneficial Owners(1)	**Number of Shares (2)**	**Percentage of Common**

		Stock
FMG Investors LLC(3)	1,099,266	18.57%
Gordon G. Pratt, Chairman, Chief Executive Officer and President	1,099,266(3)	18.57%
Larry G. Swets, Jr., Chief Financial Officer, Secretary, Treasurer, Executive Vice President	1,099,266(3)	18.57%
Thomas D. Sargent, Director	21,035	0.36%
David E. Sturgess, Director(4)	21,035	0.36%
James R. Zuhlke, Director	21,035	0.36%
HBK Investments L.P.(5)	547,250	9.2%
Brian Taylor (6)	437,500	7.4%
Bulldog Investors(7)	1,282,167	21.67%
Millenco LLC(8)	189,375	3.2%
D.B. Zwirn Special Opportunities Fund, L.P.(9)	178,500	3.02%
D.B. Zwirn Special Opportunities Fund, Ltd. (9)	246,500	4.17%
D.B. Zwirn & Co., L.P. (9)	425,000	7.18%
DBZ GP, LLC(9)	425,000	7.18%
Zwirn Holdings, LLC(9)	350,000	5.92%
Daniel B. Zwirn(9)	350,000	5.92%
Weiss Asset Management, LLC(10)	180,642	3.1%
Weiss Capital, LLC(10)	90,395	1.5%
Andrew M. Weiss, Ph.D.(10)	271,037	4.6%
All Directors and Officers as a Group (5 persons)	1,162,371	19.64%

(1) Unless otherwise indicated, the business address of each of the stockholders is Four Forest Park, Second Floor, Farmington, Connecticut 06032.

(2) Unless otherwise indicated, all ownership is direct beneficial ownership.

(3) Each of Messrs. Pratt and Swets are the managing members of our sponsor, FMG Investors LLC, and may be deemed to each beneficially own the 1,099,266 shares owned by FMG Investors LLC.

(4) The business address of David E. Sturgess is c/o Updike, Kelly & Spellacy, P.C., One State Street, Hartford, Connecticut 06103.

(5) Based on information contained in a Statement on Schedule 13G filed by HBK Investments L.P., HBK Services LLC, HBK Partners II L.P., HBK Management LLC and HBK Master Fund L.P. on February 12, 2008. The address of all such reporting parties is 300 Crescent Court, Suite 700, Dallas, Texas 75201. HBK Investments L.P. has delegated discretion to vote and dispose of the Securities to HBK Services LLC (“Services”). Services may, from time to time, delegate discretion to vote and dispose of certain of the Securities to HBK New York LLC, a Delaware limited liability company, HBK Virginia LLC, a Delaware limited liability company, HBK Europe Management LLP, a limited liability partnership organized under the laws of the United Kingdom, and/or HBK Hong Kong Ltd., a corporation organized under the laws of Hong Kong (collectively, the “Subadvisors”). Each of Services and the Subadvisors is under common control with HBK Investments L.P. The Subadvisors expressly declare that the filing of the statement on Schedule 13G shall not be construed as an admission that they are, for the purpose of Section 13(d) or 13(g), beneficial owners of the Securities. Jamiel A. Akhtar, Richard L. Booth, David C. Haley, Lawrence H. Lebowitz, and William E. Rose are each managing members (collectively, the "Members") of HBK Management LLC. The Members expressly declare that the filing of the statement on Schedule 13G shall not be construed as an admission that they are, for the purpose of Section 13(d) or 13(g), beneficial owners of the Securities.

(6) Based on information contained in a Statement on Schedule 13D filed by Brian Taylor, Pine River Capital Management L.P. and Nisswa Master Fund Ltd. on October 12, 2007. All reporting parties have shared voting and dispositive power over such securities. The address of all such reporting parties is 800 Nicollet Mall, Suite 2850, Minneapolis, MN 55402.

(7) Based on information contained in a Statement on Schedule 13D filed by Bulldog Investors, Phillip Goldstein and Andrew Dakos on February 13, 2008. All reporting parties have shared voting and dispositive power over such securities. The address of all such reporting parties is Park 80 West, Plaza Two, Saddle Brook, NJ 07663.

(8) Based on information contained in a Statement on Schedule 13G filed by Millenco LLC, Millenium Management LLC and Israel A. Englander on December 11, 2007. All reporting parties have shared voting and dispositive power over such securities. The address of all such reporting parties is 666 Fifth Avenue, New York, NY 10103.

(9) Based on information contained in a Statement on Schedule 13G/A filed by D.B. Zwirn & Co., L.P., DBZ GP, LLC, D.B. Zwirn Special Opportunities Fund, L.P. and D.B. Zwirn Special Opportunities Fund, Ltd. on January 25, 2008. D.B. Zwirn & Co., L.P., DBZ GP, LLC, Zwirn Holdings, LLC, and Daniel B. Zwirn may each be deemed the beneficial owner of (i) 178,500 shares of common stock owned by D.B. Zwirn Opportunities Fund, L.P. and (ii) 246,500 shares of common stock owned by D.B. Zwirn Special Opportunities Fund, Ltd. (each entity referred to in (i) through (ii) is herein referred to as a "Fund" and, collectively, as the "Funds"). D.B. Zwirn & Co., L.P. is the manager of the Funds, and consequently has voting control and investment discretion over the shares of common stock held by the Fund. Daniel B. Zwirn is the managing member of and thereby controls Zwirn Holdings, LLC, which in turn is the managing member of and thereby controls DBZ GP, LLC, which in turn is the general partner of and thereby controls D.B. Zwirn & Co., L.P. The foregoing should not be construed in and of itself as an admission by any Reporting Person as to beneficial ownership of shares of common stock owned by another Reporting Person. In addition, each of D.B. Zwirn & Co., L.P., DBZ GP, LLC, Zwirn Holdings, LLC and Daniel B. Zwirn disclaims beneficial ownership of the shares of common stock held by the Funds.

(10) Based on information contained in a Statement on Schedule 13G filed by Weiss Asset Management, LLC, Weiss Capital, LLC and Andrew M. Weiss, Ph.D. on July 18, 2008. Shares reported for Weiss Asset Management, LLC include shares beneficially owned by a private investment partnership of which Weiss Asset Management, LLC is the sole general partner. Shares reported for Weiss Capital, LLC include shares beneficially owned by a private investment corporation of which Weiss Capital is the sole investment manager. Shares reported for Andrew Weiss include shares beneficially owned by a private investment partnership of which Weiss Asset Management is the sole general partner and which may be deemed to be controlled by Mr. Weiss, who is the Managing Member of Weiss Asset Management, and also includes shares held by a private investment corporation which may be deemed to be controlled by Dr. Weiss, who is the managing member of Weiss Capital, the Investment Manager of such private investment corporation. Dr. Weiss disclaims beneficial ownership of the shares reported herein as beneficially owned by him except to the extent of his pecuniary interest therein. Weiss Asset Management, Weiss Capital, and Dr. Weiss have a business address of 29 Commonwealth Avenue, 10th Floor, Boston, Massachusetts 02116.

PROPOSAL 1

THE MERGER PROPOSAL

The discussion in this proxy statement/prospectus of the Merger Proposal and the principal terms of the Merger Agreement, dated April 2, 2008, as amended and restated on August 15, 2008, by and among the Company, United and United Subsidiary Corp., and the associated agreements are subject to, and are qualified in their entirety by reference to, the Merger Agreement, which is attached as Annex A, to this proxy statement/prospectus and is incorporated in this proxy statement/prospectus by reference.

General Description of the Merger

On April 2, 2008, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") pursuant to which United Subsidiary has agreed to merge with and into United, and United has agreed, subject to receipt of the Merger consideration from FMG, to become a wholly-owned subsidiary of FMG (the "Merger"). The Merger Agreement was amended and restated on August 15, 2008. If the stockholders of the Company approve the transactions contemplated by the Merger Agreement, FMG, through United Subsidiary, which was newly incorporated in order to facilitate the Merger contemplated thereby, will purchase all of the membership units of United in a series of steps as outlined below.

FMG and United will merge pursuant to a merger transaction summarized as follows:

- FMG will create a transitory merger subsidiary, United Subsidiary Corp., and will merge such subsidiary with and into United, with United surviving; and
- United will, as a result, become wholly-owned by FMG.

United's members will receive consideration from FMG for their membership units of up to $104,316,270 consisting of:

- $25,000,000 in cash;
- 8,750,000 shares of FMG common stock, par value $.0001 per share (assuming an $8.00 per share value);
- up to $5,000,000 of additional consideration which will be paid to the members of United in the event certain net income targets are met by United, as set forth more particularly herein;
- 1,093,750 newly issued common stock purchase warrants identical in all respects to the warrants issued in the Company's IPO;
- up to an additional 212,877 newly issued common stock purchase warrants identical in all respects to the warrants issued in the Company's IPO; and
- up to an additional 212,877 shares of FMG common stock.

The aggregate consideration will paid pursuant to the Merger Agreement for the purchase of the membership units of United. The Company's Board of Directors has determined United has a fair market value equal to at least 80% of the Company's net assets held in trust.

The Company, United and United Subsidiary Corp. plan to consummate the Merger as promptly as practicable after the Special Meeting, provided that:

- the Company's stockholders have approved and adopted the Merger Proposal and the transactions contemplated thereby;

- holders of not more than 29.99% of the shares of the common stock issued in the Company's IPO vote against the Merger Proposal and demand conversion of their shares into cash;
- holders of not less than 66% of the membership units of United vote in favor of the Merger;
- the private placement, including the exchange offer, and the tender offer shall have taken place;
- the Securities and Exchange Commission has declared effective the registration statement and prospectus which form a part of this proxy statement/prospectus; and
- the other conditions specified in the Merger Agreement have been satisfied or waived.

The obligation of FMG to close on the Merger is contingent on satisfaction or waiver of the following conditions:

(i) the accuracy in all material respects on the date of the Merger Agreement and the Closing Date of all of United's representations and warranties, when considered both collectively and individually;

(ii) United's performance in all material respects of all covenants and obligations required to be performed by the Closing Date;

(iii) a majority of the Company's stockholders must vote in favor of approving the Merger;

(iv) not more than 29.99% of the shares of the common stock issued in the Company's IPO vote against the Merger and demand conversion of their stock into cash;

(v) stockholder approval of the First and Second Amendment Proposals;

(vi) the Securities and Exchange Commission has declared effective the registration statement and prospectus which form a part of this proxy statement;

(vii) no governmental authority has enacted, issued, promulgated, enforced or entered any law or order that is in effect and has the effect of making the Merger illegal or otherwise preventing or prohibiting consummation of the Merger;

(viii) the private placement, including the exchange offer, and the tender offer shall have taken place;

(ix) the officers are, and the Board of Directors of FMG following the Merger is constituted, as set forth as the Board of Directors recommends, as fully described herein; and

(x) the consent of not less than 66% of the membership units of United to the Merger and no more than ten percent (10%) of the outstanding membership units of United shall constitute dissenting membership units under Florida law.

Conditions (i), (ii) and (ix), as well as the Third Amendment Proposal, are waivable by the Company.

United's obligation to close on the Merger is contingent upon:

(i) the accuracy in all material respects on the date of the Merger Agreement and the Closing Date of all of FMG's representations and warranties;

(ii) FMG's performance in all material respects of all covenants and obligations required to be performed by the Closing Date;

(iii) a majority of the Company's stockholders must vote in favor of approving the Merger;

(iv) not more than 29.99% of the shares of the common stock issued in the Company's IPO vote against the Merger and demand conversion of their stock into cash;

(v) stockholder approval of the First, Second and Third Amendment Proposals;

(vi) the Securities and Exchange Commission has declared effective the registration statement and prospectus which form a part of this proxy statement;

(vii) the private placement, inluding the exchange offer, and the tender offer shall have taken place;

(viii) no governmental authority has enacted, issued, promulgated, enforced or entered any law or order that is in effect and has the effect of making the Merger illegal or otherwise preventing or prohibiting consummation of the Merger; and

(ix) the officers and the Board of Directors of FMG following the Merger is constituted as set forth as the Board of Directors recommends, as fully described herein.

Conditions (i), (ii) and (ix), as well as the Third Amendment Proposal, are waivable by United.

See the description of the Merger Agreement in the section entitled “The Merger Agreement” beginning on page 64. The Merger Agreement is included as Exhibit 1.1 to this proxy statement/prospectus and the Merger Agreement is included as Exhibit 1.2. We encourage you to read the Merger Agreement in its entirety.

Under the terms of the Company’s amended and restated certificate of incorporation, the Company may proceed with the Merger provided that not more than 29.99% of the Company's public stockholders electing to convert their shares of common stock to cash and not participate in the Merger.

Background of the Merger

During the period immediately subsequent to our initial public offering on October 11, 2007 through March 2008, we were involved in identifying and evaluating prospective businesses regarding potential business combinations. On October 12, 2007, the day after the consummation of our initial public offering, management convened a discussion with our Board of Directors to institute centralized corporate governance procedures and to discuss and begin implementing our overall plan for identifying, evaluating and, where appropriate, pursuing a potential business combination. We discussed the most effective means for us to solicit and track opportunities, and we determined that we should plan regular telephonic conferences with our board to discuss our progress. Given our commitment to source, review and negotiate a transaction, we agreed immediately to identify and begin the process of making contact with: (i) private companies we know to be active in the insurance industry and (ii) various prospective sources of deal flow, including investment banks, actuaries, consultants, private equity firms and business acquaintances we have established over a professional lifetime within the insurance industry to encourage them to contact us with new and old ideas or specific business combination opportunities they might wish for us to consider and explore. Messrs. Pratt and Swets discussed with the board various areas within the insurance industry where they expected there to be a higher probability of identifying attractive companies for a business combination, with particular focus on specialty property-casualty insurance companies, wholesale insurance brokerages and program management businesses. Messrs. Pratt and Swets discussed with the board some of the opportunities and risks of a business combination with an insurance company when compared to an insurance wholesale broker or program, pointing out that each type of business holds attractive elements and other elements to consider.

We were able to source opportunities both by approaching private companies and by responding to inquiries or references from the various sources of deal flow noted above. We did not limit ourselves to any single transaction structure (i.e. cash vs. stock issued to potential seller, straight merger, corporate spin-out or management buy-out). Although the search stayed within the insurance industry, the definition of insurance remained broad. Active sourcing involved FMG management, among other things:

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Initiating conversations, via phone, e-mail or other means (whether directly or via a private company's major stockholders, members, or directors as well as professionals and industry contacts we have known during our professional careers) with private companies which management believed could make attractive business combination partners;

- Contacting professional service providers (accountants, attorneys, actuaries and consultants);
- Using their network of business associates and friends for leads;
- Working with third-party intermediaries, including investment bankers; and
- Inquiring directly of business owners, including private equity firms, of their interest in having one of their businesses enter into a business combination.

Management also fielded inquiries and responded to solicitations by: (i) companies looking for capital or investment alternatives and (ii) investment bankers or other similar professionals who represent companies engaged in a sale or fund-raising process. We considered numerous companies in various sectors of the insurance industry, including underwriting property-casualty insurance companies, retail insurance brokerage, wholesale insurance brokerage, insurance program management, United Kingdom-based employee benefits management, critical care insurance and management, wholesale life insurance brokerage and professional employer organization workers' compensation insurance. Several non-disclosure agreements were signed.

In considering potential targets, the Company's management considered the following factors concerning potential business combination partner, as being material to their decision:

- Specialty focus, for example by line of business, geography, product, distribution or client base;
- Record of growth and profitability;
- Ability to operate in difficult, dislocated or fragmented markets;
- Business model and approach to building recurring revenue;
- Ability to achieve incremental revenue or decrease costs from current core business;
- Potential for greater economies of scale or higher profitability through consolidation;
- Opportunity to deploy capital at appropriate rates of return in the current business plan;
- Experience and skill of management and availability of additional personnel;
- Capital requirements;
- Competitive position;
- Financial condition;
- Barriers to entry;
- Stage of development of the products, processes or services;
- Breadth of services offered;
- Degree of current or potential market acceptance of the services;
- Regulatory environment of the industry;
- Costs associated with effecting the business combination; and
- Probability of successfully negotiating and consummating a business combination with the potential partner.

The evaluation relating to the merits of a particular business combination were based primarily, to the extent relevant, on the above factors. In evaluating a prospective business combination partner, we conducted such diligence as we

deemed necessary to understand a particular potential business combination partner’s business that included, among other things, meetings with the potential business partner’s management, where applicable, as well as review of financial and other information made available to us.

As a result of these efforts, the Company initiated contact, either directly or through a third party intermediary, with approximately twelve (12) potential business combination companies. In addition, we received business plans, reviewed financial summaries or received presentation books of at least ten (10) potential target business combination companies. We signed non-disclosure agreements relating to several potential business combination opportunities. We also had discussions with a number of potential business combination companies with whom a non-disclosure agreement was not signed. With respect to some of the opportunities, discussions among the Company's management and the potential business combination partners included financial disclosures, reviews of potential transaction structures, discussions of preliminary estimates of transaction values and discussions of management objectives, business plans, and projections. Discussions, including introductory meetings attended by some combination of Messrs. Pratt and Swets, occurred with potential business combination partners on a regular basis during the period from October 2007 through March 2008. Among the potential merger candidates FMG contacted were: five insurance companies in various segments of the property-casualty business with estimated merger values of $100 million to $700 million; four wholesale brokers/program managers of insurance businesses with estimated merger values of $90 million to $400 million; and three retail brokers/service companies of insurance businesses with estimated merger values of $100 million to $200 million. Our management evaluated these candidates in light of the factors described above and discussed their findings with our Board of Directors, also applying the following criteria: the state of the insurance markets within which the businesses operated; the potential merger value of each business; the probability of negotiating an acceptable business combination; and the timeframe for so doing. FMG’s board agreed with management’s assessment of United as the best merger candidate among those discussed. No firm offers were made to any other merger candidate.

On November 15, 2007, our Board of Directors met to discuss certain ongoing, routine corporate matters, including review and approval of our filings with the SEC, and to review our progress to date in identifying and discussing candidates for a potential business combination. Our management: (i) reported concerning its efforts since the last board meeting to reach out to potential business combination candidates and their owners and advisors and (ii) reviewed the results of these efforts, namely more than twelve (12) potential business combination companies. Among other matters, management reported that, based on its research and experience in evaluating insurance markets that offer specialized risk and reward prospects, the Florida homeowners insurance market held particular promise.

In the first half of 2006, prior to the formation of our company, James R. Zuhlke, one of our directors, and a private equity firm with whom he was working had discussions with representatives of United to consider a possible transaction with United. This firm ultimately did not make any proposal for a transaction with United. In the second half of 2006 and early 2007, Mr. Zuhlke and Gordon Pratt, the Managing Director of Fund Management Group, had discussions with representatives of United regarding a possible transaction with United. Fund Management Group specializes in managing investments in, and providing advice to, privately held insurance related businesses. In late 2006 and early 2007, Fund Management Group indicated to United's management an interest in acquiring United. In February 2007, United notified Fund Management Group only that United intended to remain independent and was not interested in pursuing a transaction. There was no further contact between Messrs. Pratt and Zuhlke and United regarding such a transaction after February 26, 2007.

Mr. Pratt reported he had attended a meeting at United's offices with Messrs. Cronin, Griffin, and Russell on November 14, 2007, and later that evening attended a dinner with several United directors and advisors, including Messrs. Branch, Whittemore, Savage, and DeLacey. This meeting was initiated when Gordon G. Pratt called Don Cronin, the President and CEO of United, on October 19, 2007 to explore United's interest in a potential merger with FMG Acquisition Corp. and to arrange a meeting in person with United's senior staff. A mutually convenient date of November 14 was set. Attending the meeting were four persons: Gordon G. Pratt and three officers from United, Don Cronin (CEO), Nick Griffin (CFO) and Melvin Russell (Chief Underwriting Officer). The nature of the meeting was exploratory and informational. Mr. Pratt described FMG Acquisition Corp and how it functions as a "special purpose acquisition company." Messrs. Cronin, Griffin and Russell described United's business strategy and results through October 2007. The parties agreed that it seemed worthwhile to continue discussing a possible merger.

At the November 15, 2007 Board meeting, Mr. Pratt reported that: (i) in addition to United, several other companies in the Florida homeowners market may be suitable candidates for a business combination and (ii) United may be receptive to a proposal for a business combination. Management also gave reports concerning other promising companies and markets the Company should consider. Based on this report, FMG's Board concluded that management should continue the process of meeting with and discussing a possible business combination with several candidates, including United.

On November 20, 2007, the Company and United signed mutual non-disclosure agreements in order to exchange information and continue discussions on a confidential basis. The Company began to receive confidential reports concerning United on November 25 and 26, 2007. United and the Company agreed to meet on December 6, 2007 in United's offices. There are no direct or indirect business relationships between any of the officers, directors, or principal stockholders of the Company and any of the officers, directors, or principal members of United.

On December 6, 2007, Messrs. Pratt and Swets met with Messrs. Cronin, Griffin, Russell and Hearn, all officers of United, in United's offices. Also in attendance was Mr. Brian Nestor of Raymond James & Associates in their capacity as financial advisor to United. During the meeting and throughout the day, the parties discussed United's book of business, underwriting, modeling, changes to the policies offered to its policyholders, rates, new business initiatives, claims operations and reinsurance. Messrs. Cronin, Griffin, Pratt, and Swets continued, over dinner, to discuss items including management of the combined companies should a business combination proceed. The participants concluded that discussions concerning a merger should continue. The following day, Mr. Patrick DeLacey of

Raymond James & Associates (and also a director of United) spoke with Mr. Pratt concerning a potential business combination and informed the Company that any business combination: (i) must meet an appropriate value for United's members and (ii) must be negotiated in a timely manner, since United was considering a number of potential options, including a possible sale or merger to other parties or a decision to remain a private company held by the current members. Mr. DeLacey provided additional documents concerning United on December 13 and 14, 2007. Following analysis of the information from the December 6 meeting and of the reports provided on December 13 and 14, FMG's management concluded it was in FMG's best interest to express in writing FMG's possible interest in a business combination with United.

On December 16, 2007, after analysis of the information provided by United to date, the Company delivered a non-binding letter of interest ("Interest Letter") to Messrs. Branch and DeLacey expressing interest in a business combination with United in the form of a merger with the Company, with the resulting merged company to be renamed United Insurance Holdings Corp. ("UIH"). A summary of the material terms of the Interest Letter appears below:

Consideration:

- $25,000,000 in cash consideration at the closing
- 8,125,000 shares of the Company
- $5,000,000 in cash as additional consideration
- 625,000 shares of the Company as additional consideration

- The additional consideration would be based on UIH's performance in the first full four quarters post-merger. Additional consideration begins accruing when GAAP net income for UIH exceeds $25 million and is fully earned if GAAP net income reaches or exceeds $29 million

- The UIH board would include Mr. Branch and other current United directors while FMG would name an equal number of directors to the UIH board.

- The parties would mutually discuss an appropriate capital and business plan for UIH

The Interest Letter requested that the parties enter into more detailed discussions concerning negotiation of a non-binding letter of intent ("LOI") and the diligence, timetable and documentation requirements for a merger.

On December 21, 2007, the Company's Board convened a discussion by teleconference. During the discussion, Messrs. Pratt and Swets described meetings held with United and meetings and discussions with several other candidates concerning a potential business combination. With respect to United, management discussed (i) preliminary information concerning United's business and operations gathered from the December 6 meeting and subsequent information provided by United on December 13 and 14 and (ii) the Interest Letter management sent to United concerning which we were awaiting a response. FMG's board asked questions concerning United's business, underwriting approach, use of models, ability to generate new business, claims handling philosophy and use of reinsurance. Based on the discussion, FMG's board concluded (i) management had made good progress concerning the potential business combination with United; (ii) prior to issuing an LOI for United or for any other candidate for a business combination, FMG's board would meet to consider more detailed information concerning the candidate, review the proposed LOI, and hold a discussion on these matters; (iii) whether or not to issue an LOI would be subject to the Board's discussion and to its affirmative vote; and (iv) discussions should continue with those potential candidates for a business combination whom FMG's board and management agreed potentially fit the Company's criteria.

Later that day, Messrs. Pratt and DeLacey spoke concerning a proposed merger. Mr. DeLacey reported that United's board had met on December 18, 2007 to consider the Interest Letter and concluded that United wished to continue discussions through Mr. Branch and Mr. DeLacey. Key points of the discussion focused on issues concerning proposed management of UIH and the constitution of UIH's board of directors, the amount of consideration at the closing of a merger, and the amount, timing, and form of payment for additional consideration. On December 24, 2007, Messrs. Pratt and DeLacey discussed these issues again and agreed to speak early in January.

From January 4, 2008 through January 9, 2008, Messrs. Pratt and DeLacey held a series of discussions focused on resolving outstanding issues and discussed additional issues concerning the appropriate representations, warranties, and indemnification between the parties, the registration rights United's members would have concerning Company

stock received by United's members as merger consideration, "lock-ups" or other restrictions on such stock, the conditions to a closing, confidentiality and exclusivity, the conduct of each party in the period prior to any closing, and a waiver by United concerning the Company's trust fund. From these discussions, the parties concluded that each issue had a range of possible answers. The parties agreed that Mr. DeLacey should send a summary of the discussions for Messrs. Pratt and Branch to use for further negotiation. On January 10, 2008, Messrs. Pratt and Branch continued their discussions and came to agreement on the issues. Mr. Pratt agreed to document the parties' agreement in the form of a draft LOI for consideration by United and its advisors. Mr. Pratt provided a draft LOI to United and to the Company's Board on January 14, 2008. The LOI contemplates a merger of United with FMG (or a wholly-owned subsidiary) with FMG to be renamed UIH. A summary of the material terms of the non-binding LOI appears below:

- $25,000,000 in cash consideration at the closing
- 8,750,000 registered shares of FMG
- $5,000,000 in cash as possible additional consideration

- The additional consideration would be based on UIH's performance in the twelve month period covering either (i) July 1, 2008 to June 30, 2009 or (ii) calendar 2009. Additional consideration begins accruing when GAAP net income for UIH exceeds $25 million and is fully earned if GAAP net income reaches or exceeds $27.5 million

- The UIH management will include Mr. Cronin (President and Chief Executive Officer) and Mr. Griffin (Chief Financial Officer). Mr. Russell will be Chief Underwriting Officer of United.

- The UIH board would be set initially at six members with each of the Company and United naming three (3) members. Mr. Branch will serve as Chairman and Mr. Pratt as Vice Chairman of UIH.

- As soon as is practical following the execution of the definitive merger agreement, FMG will file with the SEC a Form S-4 registration statement concerning the shares of the Company United's owners will receive in the merger.

- Our officers and directors will continue to be bound by existing share escrow arrangements, and certain parties related to United will execute "lock-up" agreements.

- Customary closing conditions will apply, including the negotiation of a definitive merger agreement with mutually acceptable representations, warranties, and indemnification; also, conditions to close will include regulatory approvals (such as that of the Florida Office of Insurance Regulation (" OIR ")).

- An exclusivity period of thirty (30) days during which we could conduct diligence concerning United and prepare appropriate documentation.

- Provisions concerning: (i) United's waiver of a claim on our trust account and (ii) mutual promises of confidentiality.

On January 15, 2008, our Board of Directors met to discuss a possible merger with United and the draft LOI. Management presented a summary of information learned to date concerning United, and a discussion ensued concerning: (i) United's management and its experience; (ii) the proposed valuation of United in a merger and its relative attractiveness from the point of view of the Company's stockholders; (iii) United's capital structure and ownership; (iv) United's market share in Florida and that of the Florida state-owned insurance company, Citizens Property Insurance Company (Citizens); and (v) the opportunities and risks in a merger with United. The Board also discussed the draft LOI and the remaining issues under discussion with United. Due to time constraints, the Board decided to recess the meeting and reconvene on January 17, 2008.

On January 17, 2008, the Board continued its discussion concerning United's valuation in the proposed merger, and the Board's determination of United's valuation was based, in large part, on (i) details concerning fundamental financial results of United and comparisons to publicly-traded insurance companies; (ii) United's expected balance sheet at the time of the proposed merger; (iii) the expected returns and risks in United's business, including giving proper account to its exposure to catastrophe risk; and (iv) the opportunities and risks in expanding United's business to other states. The board also considered several direct and indirect comparable companies, many of which overlapped with companies used by Piper Jaffray in making its comparisons. The companies evaluated by both FMG's board and Piper

Jaffray included 21 st Century Holding Company, IPC Holdings, Ltd., Universal Insurance Holdings, Inc., ACE, Ltd., XL Capital Ltd., Axis Capital Holdings Ltd., Allied World Assurance Company Holdings Ltd., Aspen Insurance Holdings Ltd., Allstate Corp., The Travelers Companies, Inc. and Hartford Financial Services Group, Inc. However, each of FMG's board and Piper Jaffray did their investigation and analysis independent of one another without discussion of which companies to use as the basis for comparable comparisons.

The Board concluded that (a) United's management, its experience in Florida, and its expected returns (after giving effect to its use of reinsurance and exposure to catastrophe risk) were positives for the transaction; (b) the opportunities for United were attractive, having given proper account to the risks associated with United's market share size and the existence of the large competitors, including the state-owned insurance company Citizens; and (c) United's valuation in the merger, its financial results to date, and its expected balance sheet at the time of the merger justified continuing the process of discussing a merger. Mr. Pratt also gave his opinion as to how the final issues in the LOI would be resolved in final negotiation and that such resolution of the issues would not differ materially from the draft LOI summarized above and presented to the Board. Following this discussion, the Board unanimously approved a resolution authorizing management, on behalf of the Company, to enter into an LOI with United on substantially the same terms as were presented in the draft LOI (and as negotiated to final resolution by management). The Board also instructed management that discussions should continue with those potential candidates for a business combination whom the Board and management agreed potentially fit the Company's criteria.

On January 20, 2008, we sent to United a final LOI (comporting with the summary above in every material way) that United executed on the following day.

FMG and United arrived at the Merger consideration through mutual negotiation and discussion. The parties agreed the transaction should contain the following elements: cash at the time of the Merger; no need for any additional financing to complete the Merger; the issuance of FMG common stock as the majority of the Merger consideration; and an amount of additional cash consideration depending upon United's post-Merger performance.

On January 24, 2008, at the Raymond James headquarters in St. Petersburg, Florida, Messrs. Pratt and Swets met with Messrs. Cronin, Griffin, Russell and Michael Farrell, United's senior financial analyst and Keith Irvine (Raymond James), all representing United, in order to discuss the process for diligence and documentation.

Beginning with the January 24, 2008 meeting and continuing through the signing of the Agreement and Plan of Merger, we conducted diligence concerning United's business, operations and financial results. Messrs. Pratt and Swets actively participated in numerous telephone conversations and email communications with officers and other representatives of United. We retained outside advisors and consultants who supplemented our work with reports concerning the following areas or functions: accounting, investments, policy administration, claims, reinsurance, actuarial computations (including computations of premiums, reserves for losses, reserves for lost adjustment expenses, unearned premiums and reinsurance recoverables) corporate structure, ownership and any material restrictions contained in United's contracts and governing documents.

On February 22, 2008, the Company's Board convened a discussion by teleconference. Our management described:

- The scope of the diligence being conducted by us, including portions performed directly by Messrs. Pratt and Swets;
- The personnel, backgrounds and references for the firms retained to perform diligence for us, which including an accounting firm, a law firm, an operations and internal audit consultant, a reinsurance broker and consultant and an actuarial consultant; and
- Our findings to date from both management and from our outside retained firms and consultants.

The directors discussed the diligence findings and encouraged management to continue discussions with United, including preparation of a draft definitive merger agreement (which was delivered to United on March 7, 2008). The directors also encouraged management to continue discussions with other candidates concerning a potential business combination.

On March 14, 2008 the Company's Board convened a discussion by teleconference. Management described its continuing analysis of United, its management, our diligence and the state of discussions concerning a definitive merger agreement. In particular, our management described:

- A valuation and investment thesis for the merger with United;
- Management's assessment of United and its management, particularly with respect to United's underwriting focus and risk management;
- An assessment of United's profit opportunities and risk to those profits under various scenarios; and

- An analysis of the potential combined profits and earnings per share after a merger, both in absolute terms and relative to certain publicly-traded insurance companies.

The directors discussed these matters and encouraged management to continue discussions with United. We scheduled a meeting on March 20, 2008 to review (i) all of the steps taken by us in our discussions with United, (ii) diligence memoranda concerning United prepared by management and by our counsel (which were provided to the directors prior to the March 20 meeting) (iii) a draft definitive merger agreement in a form substantially similar to its final form (which was provided to directors prior to the March 20 meeting); (iv) a fairness opinion (prepared by Piper Jaffray) and (v) information concerning the status of discussions with other candidates concerning a potential business combination.

On March 20, 2008, FMG's Board of Directors met to evaluate the materials set forth above in order to consider approval of a merger with United. Management presented the diligence findings and a summary of the status of discussions with other candidates concerning a potential business combination. Representatives of Piper Jaffray joined the meeting to discuss their opinion concerning the transaction.

During the meeting our directors considered many aspects of a merger with United, including, but not limited to:

- The overall state of the Florida homeowners insurance business and the relative attractiveness of this market;
- United's historical record of success in the Florida market;
- The expected return on equity for United's business in comparison to others operating in the Florida market;
- The expected profitability of United's business after giving proper account to United's exposure to, and management of, catastrophe risk;
- Diligence reports concerning United's balance sheet, including a review of its investment assets, loss reserves, unearned premium reserves and reinsurance arrangements;
- Confirmations of United's loss reserve estimates and claims practices by an independent actuary and an independent accounting firm retained by the Company;
- United's reinsurance program, underlying contract arrangements, and quality of reinsurance providers, including review of the findings of an independent reinsurance consultant retained by the Company;
- The status of discussions with other candidates concerning a potential business combination, including management's assessment of those candidates' potential value, the probability of negotiating an acceptable business combination and the timeframe for so doing; and
- The amount and form of the consideration to be paid by FMG to effect the merger, including the Piper Jaffray opinion that the transaction is fair, from a financial point of view, to the Company's stockholders. From this, and their own assessment of the transaction, the directors concluded that United's value also exceeds $30,176,383, or 80% of the Company's assets held in its trust account.

FMG's board discussed the opportunity and the potential adverse effects of a merger with United at its board meetings on January 15 and 17, on its conference call discussions on February 22 and March 14, and again at its meeting on March 20. Those discussions focused on the value and potential of a merger with United for our stockholders and an assessment of the risks and potential adverse effects of the merger. As a consequence, our board made a careful review of two primary areas that could cause adverse effects: (i) the risks of poor performance in United's business and financial results, leading to an adverse effect on our stockholders; and (ii) failure to pursue a better merger candidate (if one could be identified), leading to an adverse effect on our stockholders. After due consideration, we determined to proceed with the merger proposal with United.

Our outside counsel, which was hired to assist with our initial public offering and has remained our outside counsel through the date hereof, attended all official meetings of our board of directors as well as board discussions held by conference call. We initiated contact with Piper Jaffray on approximately February 15 and officially engaged them on March 4. Piper Jaffray attended no meetings between FMG and United. The only meeting of FMG's board of directors

which Piper Jaffray attended was the March 20 meeting, as described above. Pali Capital, Inc., which served as the representative of the underwriters in our IPO, was retained on February 26, 2008 to render financial advisory and investment banking services to FMG in connection with the Merger. Pali Capital attended no meetings between FMG and United, nor did Pali attend any meetings of FMG's board of directors. FMG also retained Actuarial Consultant in late January, 2008 and were present on some due diligence phone calls between FMG and United, but attended no other meetings between the companies or any meetings of FMG's board of directors. FMG retained Blackman Kallick to assist with accounting due diligence. Blackman Kallick attended due diligence meetings between FMG and United on February 4 and February 5, but attended no other meetings. No other consultants have been retained. During the March 20 board meeting, FMG's Board concluded that a merger with United on the terms described was in the best interests of our stockholders. FMG's Board unanimously approved a resolution in favor of the merger with United and a resolution authorizing Messrs. Pratt and Swets to take all actions they deem necessary to finalize the Merger Agreement. The Merger Agreement was finalized and signed on April 2, 2008 and announced to the public on April 3, 2008.

During June 2008, we learned from our investment bankers and certain institutional investors who were participating in other "special purpose acquisition companies" that a tender offer may be a worthwhile initiative for us to consider. After consulting Pali, our investment bankers, our management believed, based on their market intelligence, that: (i) certain institutional investors might be interested in making an investment in FMG to fund a tender offer and (ii) our stockholders would benefit from having the option to tender their shares in a tender offer, subject to our obtaining the necessary financing for such a tender offer and our further obtaining approval of the proposed business combination. After reviewing these options, our management discussed these proposals with Mr. DeLacey at Raymond James & Associates, United's investment banker, and discussed the viability of securing the institutional financing for FMG to provide the means for a tender offer, recognizing that such tender offer would close simultaneously with, and be conditioned upon, the Merger. While our management had not concluded that stockholder approval could not be obtained absent additional financing and the tender offer, management believed our stockholders would benefit from having an option to tender their shares (in addition to their existing right of conversion). During discussions with Mr. DeLacey, we learned that, subject to the form, terms and conditions, and effect on the Merger Agreement of such financing, United would consider a financing proposal from FMG management and an associated proposal to authorize a tender offer for FMG shares.

On July 10, 2008, our Board held a call to discuss: (i) institutional investors that may have an interest in providing financing to FMG; (ii) the implications of different amounts and forms of financing; (iii) a proposed tender offer for FMG common stock; (iv) the effect on the Merger Agreement of such financing and tender offer; and (iv) the likelihood of securing financing during the time frame set forth in the Merger Agreement. The Board reached the conclusion that management should pursue discussions with institutional investors.

Also on July 10, Messrs. Pratt and DeLacey discussed the financing, the tender offer, and the implications for the Merger Agreement. Mr. DeLacey reviewed the following issues with Mr. Pratt: (i) United's performance through the first half of 2008; (ii) the Merger Agreement had been negotiated by United with the expectation of a closing on or about June 30; (iii) a more probable closing date now would be very late in the third quarter, during which time United's net earnings would be retained at United; and (iv) the tender offer would be available to FMG stockholders but not to United's owners receiving FMG stock. Mr. Pratt authorized Pali to make a proposal, subject to FMG board approval, to increase the net economic consideration to United's owners as compensation for the later expected closing date and the effects of the financing and the tender offer.

From July 10 through July 31, 2008, management held confidential discussions with a limited number of FMG stockholders and six institutional investors about a debt financing. Our Board held conference call discussions on July 21 and July 29, during which management and the Board discussed several forms of financing, the relative merits and issues of each, and the probability that one or more FMG stockholders or institutional investors would make an investment in FMG. At the close of each call, the Board concluded that pursuing the financing was in FMG stockholders' best interest and instructed management to continue discussions with potential investors.

At the end of July and in early August, management presented non-binding terms for a debt financing (subject to approval of the business combination) to a limited number of potential institutional investors, a summary of which appears below:

- $18,279,570 face amounts of 11% notes
- Purchase price of 93% of face value, or $17,000,000
- Interest paid semi-annually
- Maturity three years from date of issue
- Callable, at 105% of face value, for a one-month period after the first or second anniversary from date of issue

During July through early August, management and Pali continued negotiations with Raymond James concerning the financing and an amendment to the Merger Agreement.

On August 1, 2008, Pali (on behalf of FMG) made a proposal to Raymond James, a summary of which appears below:

- FMG to commence a tender offer of up to $33,732,134 of FMG common stock at a per-share price to be determined. The size of the tender will be reduced by the amount of (i) FMG shares exercising the right of conversion and (ii) FMG shares exchanged by institutional investors into notes (see next point below)
    - FMG to issue notes, using the $17,000,000 proceeds as partial funding for the tender offer
- Upon the closing of the merger, FMG would use available cash from the trust to fund the remaining requirements of the tender offer
- Sponsor to transfer to United's owners up to 212,877 shares of common stock as additional consideration for the merger

- FMG to repurchase 100,000 units of the underwriter's purchase option for $100 and to amend the underwriters' purchase option, changing its expiration date to October 4, 2010

From August 1 through August 10, management and Mr. DeLacey continued negotiations.

On August 8, 2008, our Board held a conference call. Messrs. Pratt and Swets reported progress in negotiations with: (i) Mr. DeLacey concerning the Merger Agreement and (ii) potential investors in the notes. After a discussion, the Board concluded that pursuing the financing and negotiating terms for an amended Merger Agreement continued to be in FMG stockholders' best interest and instructed management to continue the discussions.

On August 11, 2008, Messrs. Swets and DeLacey concluded their negotiations with the following terms (in addition to those set forth above):

- FMG to issue 1 new warrant for each 8 shares of FMG stock paid to United as merger consideration (a total of 1,093,750 warrants) with terms identical to those warrants held by FMG's public stockholders; and
- The Sponsor to transfer to United's owners one Sponsor warrant for each share of Sponsor common stock transferred as additional consideration for the merger

Management believed the combination of issuing new warrants to United's owners as additional merger consideration and transferring FMG common stock and warrants from the Sponsor to United's owners as additional merger consideration increase the likelihood of a vote in favor of a merger by United's owners. We and our underwriters agreed to repurchase a portion of the underwriter's purchase option because (i) such repurchase reduces the dilution our stockholders would otherwise experience as a result of the exercise of this portion and (ii) such repurchase increases the attractiveness of the merger for both United's owners and FMG stockholders, thereby increasing the likelihood of (a) stockholder approval of the Merger and (b) our underwriters receiving their deferred underwriting discount upon the closing of the merger.

Also on August 11, our counsel sent to United's counsel a draft amended and restated Merger Agreement, incorporating the terms proposed in Pali's August 1 letter and the terms agreed to on August 11 by Messrs. Swets and DeLacey.

On August 15, 2008, five investors, including two current FMG stockholders, and an entity which Gordon Pratt and Larry Swets are the managing members, signed a note purchase agreement on terms described herein, including, among other things, a requirement FMG Investors LLC, our sponsor, be obligated, under certain circumstances, to pay to certain note holders "additional yield" in an amount up to 5% of the purchase price for the notes. The two current stockholders have the option (which they are expected to exercise) to purchase notes by means of exchanging an aggregate of 869,565 shares of FMG common stock (equal to 18.4% of FMG's common stock issued in the IPO) at a value of $8.05 per share, the anticipated price at which FMG would conduct the tender offer, for an aggregate purchase price of $7,000,000, subject to our obtaining approval of the proposed business combination.

On August 13, 2008, we distributed to our Board materials that included, among other things, a description of the proposed note financing, the proposed tender offer, and the changes to the Merger Agreement, along with drafts of the transaction documents related to these matters.

On August 14, 2008, our Board of Directors met to discuss the financing, the tender offer, the Merger, and matters relating to those transactions. During the meeting our directors considered many aspects of these transactions, including, but not limited to:

- The cost, terms, and conditions of the notes;

The number of shares to include in the tender offer, conditions to the tender, and the price per share to be paid in the tender;
- Changes to the Merger Agreement, including the additional consideration to be paid by our Company and by our Sponsor;
- A review of the facts and conclusions the Board reached at its March 20, 2008 meeting as described on page 53;
- United's performance to date; and
- The effect of the notes, the tender offer, and the amended Merger Agreement on our stockholders.

After discussion and due consideration, the Board concluded that the economic effect of the net additional merger consideration paid by our Company, namely the 1,093,750 additional warrants, is appropriate primarily as a result of: (i) United's financial performance through June 30, 2008; (ii) additional value expected from United's earnings in the third quarter 2008 that will be retained in United; and (iii) the benefit of reduced potential dilution for our stockholders due to our repurchase of 100,000 units of the underwriter's purchase option. Our Board considered seeking a new fairness opinion from Piper Jaffray concerning the transaction but ultimately declined to do so for the reasons cited in (i) through (iii) above and because there have been no material changes in United's performance or in the projections or assumptions on which Piper Jaffray based its opinion.

The Board also discussed (i) authorizing the Company to make a tender offer for up to 3,320,762 shares (reduced by the number of shares held by stockholders voting against the business combination and exercising their right of conversion) at a price of up to $8.05 per share to close simultaneously with, and conditioned upon, the Merger and (ii) the terms of the notes to be issued as partial funding for the tender offer. After discussion and due consideration, the Board concluded that the tender offer and the associated placement of the notes provide an important additional liquidity option for our stockholders.

During the August 14 Board meeting, the FMG Board of Directors concluded that a merger with United under the terms of the amended and restated Merger Agreement, and the proposed tender offer and associated note financing, are all in the best interest of our stockholders. FMG's Board unanimously approved a resolution in favor of the merger, the tender offer, and the offering of the notes and approved a resolution authorizing Messrs. Pratt and Swets to take all actions they deem necessary to carry out these transactions. On August 15, 2008, management agreed with United to issue up to 212,877 shares of common stock, and an equal number of warrants, as contingent compensation to United's members, as described more fully herein. Management determined such compensation has no net effect on the Company as FMG Investors LLC, our sponsor, agreed to return to the Company for cancellation an equal number of common shares and warrants.

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The Merger Agreement was finalized and signed on August 15, 2008 and an announcement of the revised merger terms, the note offering, and the tender offer was made to the public on August 15, 2008.

Interests of United Directors and Officers in the Merger

Gregory C. Branch, Alec C. Poitevint, and Kent G. Whittemore, directors of United, will be directors of the combined company following the Merger.

Interests of FMG Directors and Officers in the Merger

In considering the recommendation of the Board of Directors of the Company to vote for the proposals to approve and adopt the Merger Agreement and the Merger, you should be aware that certain members of the Company's Board have agreements or arrangements that provide them with interests in the Merger that differ from, or are in addition to, those of the Company stockholders generally. In particular:

· If the Merger is not approved, the Company may be required to liquidate, and the shares of common stock and warrants held by the Company's executive officers and directors will be worthless because the Company's executive officers and directors are not entitled to receive any of the net proceeds of the Company's IPO that may be distributed upon liquidation of the Company. The Company's executive officers, directors and special advisor own a total 1,183,406 shares of the Company's common stock that have a market value of approximately $8,993,886 based on the Company's share price of $7.60 as of August 29, 2008. The Company's executive officers and directors also own 1,300,000 and 1,250,000 warrants, respectively, to purchase shares of the Company's common stock that have a market value of $767,000 and $737,500, respectively based on the Company's warrant price of $0.59 as of August 29, 2008. Other than with respect to the shares and warrants owned by our sponsor which are subject to forfeiture as described herein, the Company's executive officers, directors and special advisors are contractually prohibited from selling their shares of common stock prior to one year after the consummation of a business combination, during which time the value of the shares may increase or decrease.

· Our sponsor, FMG Investors LLC, an entity owned by each of Gordon G. Pratt, our President, Chairman and CEO, and Larry Swets, Jr. , our Chief Financial Officer and Secretary, has agreed to forfeit up to 212,877 shares of common stock and an equal number of warrants, as set forth more particularly herein, in connection with the Merger.

· In connection with the private placement, United Noteholders LLC will purchase Notes with a face value of $537,634 for a purchase price of $500,000. United Noteholders LLC was formed for the sole purpose of purchasing these Notes and its members include certain officers and directors of FMG as well as certain employees of Pali

Capital, Inc. See “The Merger Proposal--Interests of FMG Directors and Officers and Officers” and “Summary--Interests of Pali Capital in the Merger; Fees” for additional information regarding the interests of these parties.

· It is currently anticipated that Messrs. Gordon G. Pratt, Larry G. Swets, Jr. and James R. Zuhlke, all of whom are current directors of the Company, will continue as directors of the Company after the Merger.

The Company’s Reasons for the Merger and Recommendation of the Company’s Board

In the prospectus relating to our IPO, we stated our intention to focus our pursuit of a business combination on merger partners in the insurance industry. On page 53 of this proxy statement/prospectus, we enumerate all the material factors considered in pursuing this particular transaction. Other factors used in making a determination whether to proceed with the Merger, none of which were deemed factors weighing against pursuing the Merger and none of which were material in any event, were results of background checks done on United’s management, the ability of FMG’s current management team to work with United following the Merger and the results of the various due diligence investigations undertaken on United.

We believe the Merger meets our origin