Table of Contents

As filed with the Securities and Exchange Commission on August 17, 2005

Registration Number 333-126402

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1 to

Form S-1

REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

Fidelity National Title Group, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	6361	16-1725106
(State or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

601 Riverside Avenue
Jacksonville, Florida 32204
(904) 854-8100
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Raymond R. Quirk
Chief Executive Officer
Fidelity National Title Group, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
(904) 854-8100
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

Peter T. Sadowski
General Counsel
Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
(904) 854-8100

Robert S. Rachofsky
LeBoeuf, Lamb, Greene & MacRae LLP
125 West 55th Street
New York, NY 10019-5389
(212) 424-8000

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, 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(c) 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

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

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. o

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 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

FIDELITY NATIONAL FINANCIAL, INC.

601 Riverside Avenue
Jacksonville, Florida 32204

, 2005

Dear Fidelity National Financial Stockholders:

On May 16, 2005, the board of directors of Fidelity National Financial, Inc. (“FNF”) approved a restructuring that will result in FNF contributing its title insurance businesses to a newly formed holding company, Fidelity National Title Group, Inc. (“FNT”). In connection with the restructuring, a pro rata distribution of shares of FNT Class A Common Stock representing 17.5% of the outstanding common stock of FNT will be made to FNF stockholders.

As a result of the distribution, FNF stockholders will receive ..175 shares of FNT Class A Common Stock for each share of FNF common stock held at the close of business on the distribution record date, currently expected to be on or about , 2005. On , 2005, shares of FNT Class A Common Stock will be quoted on the New York Stock Exchange under the symbol “FNT.” Shares of FNF common stock will continue to be listed on the New York Stock Exchange under the symbol “FNF.”

Immediately after the distribution is completed, FNF will own shares of Class B Common Stock of FNT representing the remaining 82.5% of the shares of FNT common stock. FNT Class B Common Stock will have ten votes per share and Class A Common Stock will have one vote per share. As a result, FNF will hold 97.9% of all voting power of FNT common stock immediately after the distribution. Upon completion of the distribution, FNF will also continue to own its other operating subsidiaries, including its majority-owned subsidiary Fidelity National Information Services, Inc., a leading provider of technology solutions and processing and information services to the financial services and real estate industries, and its wholly-owned subsidiary Fidelity National Insurance Company, which operates various specialty lines of insurance. Separating the businesses that comprise FNF into distinct public companies should provide improved transparency for the investment community and a simpler means of valuing FNF. We also believe that using an independent operating subsidiary strategy will allow us to focus on continuing to improve the operations of each subsidiary while maximizing long-term shareholder value.

No action is required on your part to receive your FNT Class A Common Stock. FNF stockholders will not be required to pay anything to FNF or FNT for the new stock or to surrender any certificates representing shares of FNF stock. **The receipt of the stock of FNT in the distribution will be a taxable event to you for U.S. federal income tax purposes.**

The enclosed prospectus describes the distribution of shares of FNT Class A Common Stock and contains important information about FNT and its business. I suggest that you read it carefully. If you have any questions regarding the distribution, please contact FNT’s transfer agent, .

Very truly yours,

William P. Foley, II

Chief Executive Officer and Chairman of the Board
Fidelity National Financial, Inc.

Chairman of the Board
Fidelity National Title Group, Inc.

[Table of Contents](#)

[FNT Letterhead]

, 2005

Dear Fidelity National Title Stockholder:

We are delighted to welcome you as a stockholder of Fidelity National Title Group, Inc. (“FNT”). FNT was recently formed as the holding company for the title insurance businesses of Fidelity National Financial, Inc. (“FNF”).

As an FNF stockholder, you will receive .175 shares of our Class A Common Stock for each share of FNF common stock that you held at the close of business on the distribution record date, currently expected to be on or about , 2005. Immediately after the distribution, FNF will own shares of our Class B Common Stock representing 82.5% of the outstanding shares of our common stock and 97.9% of the voting power of our common stock. Our Class A Common Stock will be publicly traded for the first time on , 2005 under the symbol “FNT.” **The receipt of the stock of FNT in the distribution will be a taxable event to you for U.S. federal income tax purposes.**

We will conduct our title insurance business through our title insurance underwriters — Fidelity National Title, Chicago Title, Ticor Title, Security Union Title and Alamo Title — which together comprise the largest title insurance company in the United States.

We are enthusiastic about what the future holds for FNT. We believe that the formation of FNT as a separate publicly traded title company will enhance our efforts to improve our operating businesses and expand our leadership in the title insurance industry, while allowing us to continue to pursue growth opportunities in our industry.

Congratulations on becoming one of the “founding” stockholders of FNT.

Very truly yours,

Raymond R. Quirk

Chief Executive Officer
Fidelity National Title Group, Inc.

Table of Contents

The information in this preliminary prospectus is not complete and may be changed. These securities may not be distributed until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

(Subject to Completion) Issued August 17, 2005

PROSPECTUS

Shares

(FNT LOGO)

CLASS A COMMON STOCK

We are currently a wholly-owned subsidiary of Fidelity National Financial, Inc. ("FNF"). In the distribution described in this prospectus, FNF will distribute shares of our Class A Common Stock representing 17.5% of the outstanding shares of our common stock on a pro rata basis to the holders of FNF common stock. The shares being distributed represent 100% of the outstanding shares of our Class A Common Stock. Immediately after the distribution is completed, FNF will own 100% of our outstanding Class B Common Stock, representing 82.5% of the shares of our common stock.

In the distribution, you will receive .175 shares of Class A Common Stock for each share of FNF common stock that you held at the close of business on the distribution record date, currently expected to be on or about , 2005. Immediately following the distribution, we will be an independent, publicly traded company.

We are sending you this prospectus to describe the distribution. We expect the distribution to occur on or about , 2005. You will receive your proportionate number of shares of Fidelity National Title Group, Inc. ("FNT") Class A Common Stock through our transfer agent's book-entry registration system. These shares will not be in certificated form. Following the distribution, you may request to receive your shares of FNT Class A Common Stock in certificated form.

No stockholder action is necessary for you to receive your shares of FNT Class A Common Stock. This means that:

- you do not need to pay anything to FNT or FNF; and
- you do not need to surrender any of your shares of FNF's common stock to receive your shares of FNT Class A Common Stock.

In addition, a stockholder vote is not required for the distribution to occur.

The distribution is expected to be taxable to FNF shareholders.

We have applied for the listing of our Class A Common Stock on the New York Stock Exchange under the symbol "FNT."

As you review this prospectus, you should carefully consider the matters described in "Risk Factors" beginning on page 7.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We expect the shares to be delivered on or about , 2005.

TABLE OF CONTENTS

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the common stock.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights some of the information about FNT contained elsewhere in this prospectus and may not contain all of the information that may be important to you. In this prospectus, "FNT," "we," and "our" refer to Fidelity National Title Group, Inc. and its subsidiaries, unless the context suggests otherwise. References to "FNF" are to Fidelity National Financial, Inc. References in this prospectus to "dollars" or "$" are to the lawful currency of the United States of America, unless the context otherwise requires. You should read the following summary together with the entire prospectus, including the more detailed information in our financial statements and related notes appearing elsewhere in this prospectus. You should carefully consider, among other things, the matters discussed in "Risk Factors."

Company Overview

We are the largest title insurance company in the United States. Our title insurance underwriters — Fidelity National Title, Chicago Title, Ticor Title, Security Union Title and Alamo Title — together issued approximately 30.5% of all title insurance policies issued nationally during 2004, as measured by premiums *per the Demotech Performance of Title Insurance Companies 2005 Edition*. Our title business consists of providing title insurance and escrow and other title-related products and services arising from the real estate closing process. Our operations are conducted on a direct basis through our own employees who act as title and escrow agents and through independent agents. In addition to our independent agents, our customers are lenders, mortgage brokers, attorneys, real estate agents, home builders and commercial real estate developers.

The Distribution

We are currently a wholly-owned subsidiary of FNF. After the distribution of the shares covered by this prospectus, FNF will beneficially own 100% of the shares of our Class B Common Stock, representing 82.5% of our outstanding common stock and 97.9% of all voting power of our common stock. Upon completion of the distribution, FNF will also continue to own its other operating businesses, including its majority-owned subsidiary Fidelity National Information Services, Inc. ("FIS"), and its wholly-owned subsidiary Fidelity National Insurance Company ("FNIC").

Competitive Strengths

We believe that our competitive strengths include the following:

Leading title insurance company. We are the largest title insurance company in the United States and the leading provider of title insurance and escrow services for real estate transactions. We have approximately 1,500 locations throughout the United States providing our title insurance services.

Established relationships with our customers. We have strong relationships with the customers who use our title services. We also benefit from strong brand recognition in our five FNT title brands that allows us to access a broader client base than if we operated under a single consolidated brand and provides our customers with a choice among FNT brands.

Strong value proposition for our customers. We provide our customers with services that support their ability to effectively close real estate transactions. We help make the real estate closing more efficient for our customers by offering a single point of access to a broad platform of title-related products and resources necessary to close real estate transactions.

Proven management team. The managers of our operating businesses have successfully built our title business over an extended period of time. Our managers have demonstrated their leadership ability during numerous acquisitions through which we have grown and throughout a number of business cycles and significant periods of industry change.

Competitive cost structure. We have been able to maintain operating margins that we believe are among the best in the industry. When compared to other industry competitors, we also believe that our management structure has fewer layers of managers which allows us to operate with lower overhead costs.

Commercial title insurance. Our network of agents, attorneys, underwriters and closers that service the commercial real estate markets is one of the largest in the industry. Our commercial network combined with our financial strength makes our title insurance operations attractive to large national lenders.

Corporate principles. A cornerstone of our management philosophy and operating success is the five fundamental precepts upon which FNF was founded:

- Bias for action
- Autonomy and entrepreneurship
- Employee ownership
- Minimal bureaucracy
- Close customer relationships

Strategy

Our strategy in the title insurance business is to maximize operating profits by increasing our market share and managing operating expenses throughout the real estate business cycle. To accomplish our goals, we intend to:

Continue to operate each of our five title brands independently. We believe that in order to maintain and strengthen our title insurance customer base, we must leave the Fidelity National Title, Chicago Title, Ticor Title, Security Union Title and Alamo Title brands intact and operate these brands independently.

Consistently deliver superior customer service. We believe customer service and consistent product delivery are the most important factors in attracting and retaining customers. Our goal is to continue to improve the experience of our customers in all aspects of our business.

Manage our operations successfully through business cycles. We operate in a cyclical business and our ability to diversify our revenue base within our core title insurance business and manage the duration of our investments may allow us to better operate in this cyclical business. Maintaining a broad geographic revenue base, utilizing both direct and independent agency operations and pursuing both residential and commercial title insurance business help diversify our title insurance revenues.

Continue to improve our products and technology. As a national provider of real estate transaction products and services, we participate in an industry that is subject to significant change, frequent new product and service introductions and evolving industry standards. We believe that our future success will depend in part on our ability to anticipate industry changes and offer products and services that meet evolving industry standards.

Maintain values supporting our strategy. We believe that continuing to focus on and support our long-established corporate culture will reinforce and support our business strategy. Our goal is to foster and support a corporate culture where our agents and employees seek to operate independently and profitably at the local level while forming close customer relationships by meeting customer needs and improving customer service.

Effectively manage costs based on economic factors. We believe that our focus on our operating margins is essential to our continued success in the title insurance business. Regardless of the business cycle in which we may be operating, we seek to continue to evaluate and manage our cost structure and make appropriate adjustments where economic conditions dictate to help us to better maintain our operating margins.

Challenges

We face challenges in maintaining our strengths and implementing our strategies, including but not limited to the following:

Further downgrades in our ratings could negatively affect our business. After FNF announced this distribution, A.M. Best Company, Inc. ("A.M. Best") downgraded the financial strength ratings of our principal insurance subsidiaries to "A-" (Excellent). As the ratings of our insurance subsidiaries have significant influence on our business, a future downgrade could have a material adverse effect on our results of operations.

We are dependent on our subsidiaries to pay dividends. As a holding company, we are dependent on distributions from our subsidiaries and our ability to declare and pay dividends may be adversely affected if distributions from our subsidiaries are materially impaired. Our title insurance subsidiaries must comply with state and federal laws requiring them to maintain minimum amounts of working capital, surplus and reserves and placing restrictions on the amount of dividends that they can distribute to us.

Changes in real estate activity may adversely affect our performance. While our title insurance revenues have benefited in recent years from record lows in mortgage interest rates and record highs in both volume and average price of residential real estate, if any of these trends change we may experience a decline in our revenues.

We will be controlled by FNF as long as it owns a majority of the voting power of our common stock. While FNF controls us, FNF will control decisions relating to the direction of our business, financing and the payment of dividends. In addition, FNF will be able to elect all of our directors and determine the outcome of any actions requiring stockholder approval.

We face competition in our title business from traditional title insurers and from new entrants with alternative products. The competitors in our principal markets include larger companies such as The First American Corporation, LandAmerica Financial Group, Inc., Old Republic International Corporation and Stewart Information Services Corporation, as well as numerous smaller title insurance companies and independent agency operations at the regional and local level. Competition among the major title insurance companies, expansion by smaller regional companies and any new entrants with alternative products could affect our business operations and financial condition.

We and our subsidiaries are subject to extensive regulation by state insurance authorities in each state in which we operate. The regulations imposed by state insurance authorities may affect our ability to increase or maintain rate levels and may impose conditions on our operations.

For additional challenges and risks relating to our business, see "Risk Factors."

Company History

The predecessors to FNT have primarily been title insurance companies, some of which have been in operation since the late 1800s. Many of these title insurance companies have been acquired in the last two decades. During the 1990s, FNF acquired Alamo Title, Nations Title Inc., Western Title Company of Washington and First Title Corp. In 2000, FNF completed the acquisition of Chicago Title Corp. and in 2004, FNF acquired American Pioneer Title Insurance Company, which now operates under our Ticor Title brand. Our businesses have historically been operated as wholly-owned subsidiaries of FNF.

Our principal executive offices are located at 601 Riverside Avenue, Jacksonville, Florida 32204, and our telephone number is (904) 854-8100.

Summary of the Distribution

The Distribution	The distribution is part of a restructuring whereby FNT will become a separate publicly traded company.
Reason for the Distribution	The distribution should enhance the ability of the financial markets to evaluate the individual operations of the title business which were previously valued as part of FNF's operations. A separate publicly traded title company will also allow investors who prefer title company operations to that of the broader operations of FNF to own an investment directly in FNT. Moreover, separate incentive compensation plans for key employees will provide incentives that are more directly related to the performance of the title insurance business.
Distributing Company	FNF. After the distribution, FNF will own 100% of FNT's Class B Common Stock, comprising approximately 82.5% of FNT's outstanding common stock. FNF has indicated it currently has no plans to dispose of its common stock interest in FNT.
Securities to be Distributed	Approximately shares of the Class A Common Stock of FNT, representing 100% of the outstanding Class A Common Stock of FNT and approximately 17.5% of FNT's outstanding common stock. Immediately following the distribution, approximately stockholders of record will hold shares of the Class A Common Stock, although some of the shares may be registered in the name of a single stockholder who represents a number of stockholders.
Distribution Ratio	Each stockholder of FNF common stock will receive .175 shares of Class A Common Stock of FNT for each FNF share held on the distribution record date.
Voting Rights	Holders of Class A Common Stock are entitled to one vote per share held on all matters submitted to a vote of FNT stockholders. Holders of Class B Common Stock are entitled to ten votes per share held on all matters submitted to a vote of stockholders.
Distribution Record Date	Expected to be , 2005 (close of business)
Distribution Date	Expected to be , 2005
Distribution Agent	
Registrar and Transfer Agent	
Use of Proceeds	Because this is not an offering for cash, there will be no proceeds to FNT from the distribution.
Dividend Policy	We currently intend to pay an annual dividend of $1.00 per FNT common share payable quarterly to FNT stockholders of record, beginning in the quarter of 2005. Any determination to pay cash dividends will be made at the discretion of our board of directors.
Proposed NYSE Symbol	We have applied to list our Class A Common Stock on the New York Stock Exchange under the symbol "FNT."

Tax Consequences	The receipt of the stock of FNT in the distribution will be a taxable event to FNF stockholders for U.S. federal income tax purposes. See “United States Federal Income Tax Considerations.”
Distribution of Shares	On or shortly after the distribution date, beneficial owners of shares of FNF common stock on the distribution record date should have credited to their brokerage, custodian or similar account through which they own their FNF common stock, the number of shares of our Class A Common Stock to which they are entitled in the distribution.
Relationship with FNF after the Distribution	We expect to enter into certain agreements with FNF which will address various matters such as corporate services, taxes, employee matters, registration rights and intellectual property, among other things. See “Our Arrangements with FNF.”

The number of shares of our common stock identified above as outstanding after this distribution does not include options that we will grant to our employee and directors in connection with this distribution. In connection with this distribution, we will grant employees and directors options to purchase an aggregate of approximately shares of our Class A Common Stock at an exercise price equal to the closing price of our Class A Common Stock on the NYSE on the date of the distribution. See “Management — Omnibus Incentive Plan.”

Summary Historical Financial Information

The following table sets forth our summary historical financial information. The summary historical financial information as of December 31, 2004 and 2003 and for each of the years in the three-year period ended December 31, 2004 has been derived from our combined financial statements and related notes, which have been audited by KPMG LLP, an independent registered public accounting firm. The audited combined financial statements as of December 31, 2004 and 2003 and for each of the years in the three-year period ended December 31, 2004 are included elsewhere in this prospectus. The summary historical financial information as of June 30, 2005 and for the six months ended June 30, 2005 and 2004 has been derived from our unaudited condensed combined financial statements, which are included elsewhere in this prospectus. You should read this financial information in conjunction with the audited and unaudited combined financial statements included elsewhere in this prospectus and the information under "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our historical combined financial information has been prepared from the historical results of the operations transferred to us and gives effect to allocations of certain corporate expenses to and from FNF. Our summary historical combined financial information may not be indicative of our future performance and does not necessarily reflect what our financial position and results of operations would have been had we operated as a stand-alone entity during the periods presented. Our results of interim periods are not necessarily indicative of results for the entire year.

	Six Months Ended June 30,		Year Ended December 31,		
	2005(1)	2004(1)	2004(1)	2003(1)	2002
STATEMENT OF EARNINGS DATA (in thousands)					
Total title premiums	$ 2,321,596	$ 2,335,449	$ 4,718,217	$ 4,700,750	$ 3,547,727
Escrow and other title-related fees	543,465	514,019	1,039,835	1,058,729	790,787
Other income	87,372	66,780	131,361	211,236	128,816
Total revenue	2,952,433	2,916,248	5,889,413	5,970,715	4,467,330
Total expenses	2,561,607	2,478,236	5,006,486	4,878,795	3,697,966
Earnings before income taxes and minority interest	390,826	438,012	882,927	1,091,920	769,364
Income tax expense	146,637	160,312	323,598	407,736	276,970
Earnings before minority interest	244,189	277,700	559,329	684,184	492,394
Minority interest	1,292	455	1,165	859	624
Net earnings	$ 242,897	$ 277,245	$ 558,164	$ 683,325	$ 491,770

	As of June 30, 2005
BALANCE SHEET DATA (in thousands)	
Cash and cash equivalents	$ 614,555
Total assets	5,973,378
Total long-term debt	7,802
Minority interest	4,643
Total equity	3,044,615

(1) Effective January 1, 2003, we adopted the fair value recognition provisions of SFAS No. 123, "Accounting for Stock-Based Compensation," using the prospective method of adoption in accordance with SFAS No. 148, "Accounting for Stock-Based Compensation — Transition and Disclosure", and as a result recorded stock compensation expense of $3.4 million and $3.0 million for the years ended December 31, 2004 and 2003, respectively, and $5.4 million and $2.1 million for the six months ended June 30, 2005 and 2004, respectively.

RISK FACTORS

An investment in our common stock involves a number of risks. Each stockholder of FNT common stock should carefully consider the following information about these risks, together with the other information contained in this prospectus. These risks could materially affect our business, results of operations or financial condition and cause the trading price of our common stock to decline.

Risks Relating to Our Business

If adverse changes in the levels of real estate activity occur, our revenues will decline.

Title insurance revenue is closely related to the level of real estate activity which includes sales and mortgage refinancing. The levels of real estate activity are primarily affected by the average price of real estate sales, the availability of funds to finance purchases and mortgage interest rates. We have found that residential real estate activity generally decreases in the following situations:

- when mortgage interest rates are high or increasing;
- when the mortgage funding supply is limited; and
- when the United States economy is weak.

While prevailing mortgage interest rates have declined to record lows in recent years and both volume and average price of residential real estate transactions have experienced record highs, these trends may not continue. If either the level of real estate activity or the average price of real estate sales decline it could adversely affect our title insurance revenues.

Because we are dependent upon California for over twenty-two percent of our title insurance premiums, our business may be adversely affected by regulatory conditions in California.

California is the largest source of revenue for the title insurance industry and in 2004, California-based premiums accounted for 49.2% of premiums earned by our direct operations and 2.6% of our agency premium revenues. In the aggregate, California accounted for 22.4% of our total title insurance premiums for 2004. A significant part of our revenues and profitability are therefore subject to our operations in California and to the prevailing regulatory conditions in California. Adverse regulatory developments in California, which could include reductions in the maximum rates permitted to be charged, inadequate rate increases or more fundamental changes in the design or implementation of the California title insurance regulatory framework, could have a material adverse effect on our results of operations and financial condition.

Our subsidiaries engage in insurance-related businesses and must comply with additional regulations. These regulations may impede, or impose burdensome conditions on, our rate increases or other actions that we might seek to increase the revenues of our subsidiaries.

Our insurance businesses are subject to extensive regulation by state insurance authorities in each state in which we operate. These agencies have broad administrative and supervisory power relating to the following, among other matters:

- licensing requirements;
- trade and marketing practices;
- accounting and financing practices;
- capital and surplus requirements;
- the amount of dividends and other payments made by insurance subsidiaries;
- investment practices;

- rate schedules;
- deposits of securities for the benefit of policyholders;
- establishing reserves; and
- regulation of reinsurance.

Most states also regulate insurance holding companies like us with respect to acquisitions, changes of control and the terms of transactions with our affiliates. State regulations may impede or impose burdensome conditions on our ability to increase or maintain rate levels or on other actions that we may want to take to enhance our operating results, and could affect our ability to pay dividends on our common stock. In addition, we may incur significant costs in the course of complying with regulatory requirements. We cannot assure you that future legislative or regulatory changes will not adversely affect our business operations. See “Business — Regulation.”

Regulatory investigations of the insurance industry may lead to new regulation and legal uncertainty, which could negatively affect our results of operations.

In the fall of 2004, the California Department of Insurance began an investigation into reinsurance practices in the title insurance industry and in February 2005 FNF was issued a subpoena to provide information to the California Department of Insurance as part of its investigation. This investigation paralleled similar inquiries of the National Association of Insurance Commissioners, which began earlier in 2004. The investigations have focused on arrangements in which title insurers would write title insurance generated by realtors, developers and lenders and cede a portion of the premiums to a reinsurance company affiliate of the entity that generated the business. Other state insurance departments and attorneys general also have made formal or informal inquiries of us regarding these matters.

We recently negotiated a settlement with the California Department of Insurance with respect to that department’s inquiry into captive reinsurance programs in the title insurance industry. Under the terms of the settlement we will refund approximately $7.7 million to those consumers whose California property was subject to a captive reinsurance arrangement and we will pay a penalty of $5.6 million.

We have been cooperating and intend to continue to cooperate with the other ongoing investigations. We have discontinued all reinsurance agreements of the type the investigations cover. The total amount of premiums we ceded to reinsurers was approximately $10 million over the existence of these agreements. These investigations are at an early stage and as a result we are unable to give any assurance regarding their consequences for the industry or for us.

State regulation of the rates we charge for title insurance could adversely affect our results of operations.

Our subsidiaries are subject to extensive rate regulation by the applicable state agencies in the jurisdictions in which we operate. Title insurance rates are regulated differently in the various states in which we operate, with some states requiring our subsidiaries to file rates before such rates become effective and some states promulgating the rates to be charged by our subsidiaries. In almost all states in which we operate, our rates must not be excessive, inadequate or unfairly discriminatory.

The California Department of Insurance has recently announced its intent to examine levels of pricing and competition in the title insurance industry in California. New York and Colorado insurance regulators have also announced similar inquiries and other states could follow. At this stage, we are unable to predict what the outcome will be of this or any similar review.

State regulators may use their rate-regulation oversight authority to take steps to cause us to reduce our rates, or block our attempts to increase our rates. Such actions by regulators could adversely affect our operating results.

If the rating agencies further downgrade our company our results of operations and competitive position in the industry may suffer.

Ratings have always been an important factor in establishing the competitive position of insurance companies. Our insurance companies are rated by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P"), Moody's Corporation ("Moody's"), Fitch Ratings, Inc. ("Fitch"), A.M. Best and Demotech, Inc. ("Demotech"). Ratings reflect the opinion of a rating agency with regard to an insurance company's or insurance holding company's financial strength rating, operating performance, and ability to meet its obligations to policyholders and are not evaluations directed to investors. In connection with the announcement of this distribution, S&P placed our A-financial strength rating on CreditWatch negative, Moody's affirmed our A3 financial strength rating although the rating outlook was changed to negative and Fitch placed our financial strength rating on Rating Watch Negative. In addition, A.M. Best downgraded the financial strength ratings of our principal insurance subsidiaries to A-. Our ratings are subject to continued periodic review by those entities and the continued retention of those ratings cannot be assured. If our ratings are reduced from their current levels by those entities, our results of operations could be adversely affected. The relative position of each of our ratings among the ratings assigned by each rating agency is as follows:

- the seventh highest rating of twenty-one ratings for S&P;
- the seventh highest rating of twenty-one ratings for Moody's;
- the seventh highest rating of twenty-four ratings for Fitch;
- the fourth highest rating of fifteen ratings for A.M. Best; and
- the first and second highest ratings of five ratings for Demotech.

As a holding company, we depend on distributions from our subsidiaries, and if distributions from our subsidiaries are materially impaired, our ability to declare and pay dividends may be adversely affected.

We are a holding company whose primary assets are the securities of our operating subsidiaries. Our ability to pay dividends is dependent on the ability of our subsidiaries to pay dividends or repay funds to us. If our operating subsidiaries are not able to pay dividends or repay funds to us, we may not be able to declare and pay dividends to our stockholders.

Our title insurance subsidiaries must comply with state and federal laws which require them to maintain minimum amounts of working capital, surplus and reserves and place restrictions on the amount of dividends that they can distribute to us. Compliance with these laws will limit the amounts our regulated subsidiaries can dividend to us. During the remainder of 2005, our title insurance subsidiaries can pay dividends or make distributions to us of approximately $89.1 million without prior regulatory approval.

We face competition in our title business from traditional title insurers and from new entrants with alternative products.

The title insurance industry is highly competitive. According to Demotech, the top five title insurance companies accounted for 90.2% of net premiums collected in 2004. Over 40 independent title insurance companies accounted for the remaining 9.8% of the market. The number and size of competing companies varies in the different geographic areas in which we conduct our business. In our principal markets, competitors include other major title underwriters such as The First American Corporation, LandAmerica Financial Group, Inc., Old Republic International Corporation and Stewart Information Services Corporation, as well as numerous smaller title insurance companies and independent agency operations at the regional and local level. These smaller companies may expand into other markets in which we compete. Also, the removal of regulatory barriers might result in new competitors entering the title insurance business, and those new competitors may include companies that have greater financial resources than we do and possess other competitive advantages. Competition among the major title insurance companies, expansion by smaller regional companies and any new entrants with alternative products could affect our business operations and financial condition.

Our historical financial information may not be representative of our results as a consolidated, stand-alone company and may not be a reliable indicator of our future results.

Our historical financial statements may not be indicative of our future performance as a consolidated, stand-alone company. We were incorporated on May 24, 2005 in anticipation of the distribution. Prior to the distribution, FNF will contribute to us the various FNF subsidiaries that conduct our business. Our historical financial statements reflect assets, liabilities, revenues and expenses directly attributable to our operations. Accordingly, they exclude certain of our expenses that have been allocated to other operations of FNF and of FIS, and they reflect an allocation to us of a portion of the compensation of certain senior officers and other personnel of FNF who will not be our employees after the distribution but who have historically provided services to us. These allocations are expected to in general continue after the distribution under the corporate services agreements to be entered into in connection with the distribution. Further, our financial statements reflect transactions with related parties, which were not negotiated on an arms-length basis. Our historical financial statements presented in this prospectus do not reflect the debt or interest expense we might have incurred if we had been a stand-alone entity. In addition, we will incur other expenses, not reflected in our historical financial statements, as a result of being a separate publicly traded company. As a result of these and other factors, our historical financial statements do not necessarily reflect what our financial position and results of operations would have been if we had been operated as a stand-alone public entity during the periods covered, and may not be indicative of future results of operations or financial position.

Risks Relating to the Distribution

We will be controlled by FNF as long as it owns a majority of the voting power of our common stock and our other stockholders will be unable to affect the outcome of stockholder voting during this time.

As long as FNF continues to hold a majority of the voting power of our outstanding stock, FNF will be able to elect all of our directors and determine the outcome of all corporate actions requiring stockholder approval. After the completion of this distribution, FNF will own 100% of our Class B Common Stock, representing approximately 82.5% of our outstanding common stock, and 97.9% of all voting power of our outstanding common stock. In order to consolidate the results of our operations for tax purposes, FNF is generally required to own at least 80% of our outstanding common stock and as a result FNF may be unlikely to decrease its ownership below 80%. The Class B Common Stock entitles FNF to ten votes per share on all matters submitted to stockholders until converted to Class A Common Stock.

While it controls us, FNF will control decisions with respect to:

- our business direction and policies, including the election and removal of our directors;
- mergers or other business combinations involving us;
- the acquisition or disposition of assets by us;
- our payment of dividends;
- our financing; and
- amendments to our certificate of incorporation and bylaws.

This could make it more difficult for us to raise capital by selling stock or using our stock as currency in acquisitions. This concentrated ownership also might delay or prevent a change in control and may impede or prevent transactions in which stockholders might otherwise receive a premium for their shares. In addition, we will enter into a registration rights agreement with FNF requiring us, under certain circumstances, to register FNT shares beneficially owned by FNF following this distribution. See “Our

Arrangements with FNF — Registration Rights Agreement.” If FNF exercises these registration rights, the market price of our common stock could be adversely affected.

We could have conflicts with entities remaining with FNF, and the chairman of our board of directors will also be both the chief executive officer and chairman of the board of directors of FNF and FIS.

Conflicts may arise between entities remaining with FNF and us as a result of our ongoing agreements and the nature of our respective businesses. We will seek to manage any potential conflicts through our agreements with FNF and other FNF entities and through oversight by independent members of our board of directors. However, there can be no assurances that such measures will be effective or that we will be able to resolve all potential conflicts with entities remaining with FNF, and even if we do, the resolution may be less favorable to us than if we were dealing with an unaffiliated third party.

Some of our executive officers own substantial amounts of FNF and FIS stock and options because of their relationships with FNF and FIS prior to this distribution. Such ownership could create or appear to create potential conflicts of interest involving fiduciary duties when directors and officers are faced with decisions that could have different implications for our company and FNF or FIS.

Mr. Foley is the chairman of our board of directors and will continue to be the chief executive officer and chairman of the board of directors of FNF and chief executive officer and chairman of the board of directors of FIS following this distribution. As an officer and director of multiple companies, he will have obligations to us as well as FNF and FIS and may have conflicts of interest with respect to matters potentially or actually involving or affecting us. Matters that could give rise to conflicts include, among other things:

- our past and ongoing relationships with FNF and other entities of FNF, including tax matters, employee benefits, indemnification, and other matters;
- the quality and pricing of services that we have agreed to provide to entities remaining with FNF or that those entities have agreed to provide to us; and
- sales or distributions by FNF of all or part of its ownership interest in us.

Provisions of our certificate of incorporation may prevent us from receiving the benefit of certain corporate opportunities.

Because FNF and FIS may engage in the same activities in which we engage, there is a risk that we may be in direct competition with FNF and FIS over business activities and corporate opportunities. To address these potential conflicts, we have adopted a corporate opportunity policy that has been incorporated into our certificate of incorporation. Among other things, this policy provides that FNF has no duty not to compete with us or to provide us with corporate opportunities of which it becomes aware. The policy also limits the situations in which one of our directors or officers, if also a director or officer of FNF, must offer corporate opportunities to us of which such individual becomes aware. These provisions may limit the corporate opportunities of which we are made aware or which are offered to us. See “Description of Capital Stock — Provisions of our Certificate of Incorporation and Resolutions Relating to Corporate Opportunities.” Moreover, our ability to take advantage of certain corporate opportunities may be limited by FNF’s voting control over us.

Risks Relating to our Common Stock

You may experience fluctuations in the prices of our common stock or the common stock of FNF as a result of this distribution.

Prior to this distribution, there has not been a market for our common stock. Our common stock will be traded on the NYSE after the distribution. We cannot predict the prices at which our common stock may trade after the distribution. After the distribution, FNF common stock will continue to be listed and traded on the NYSE. As a result of the distribution, the trading price of FNF common stock will likely be lower than the trading price of FNF common stock immediately prior to the distribution. The combined trading prices of FNF common stock and FNT common stock after the distribution may be less than, equal to or greater than the trading prices of FNF common stock immediately prior to the distribution. Until the market has fully analyzed the operations of FNF separate from the operations of FNT and the operations of FNT separate from the operations of FNF, the prices at which both FNT and FNF common stock trade may fluctuate.

The price of our common stock may be volatile and may be affected by market conditions beyond our control.

Our share price is likely to fluctuate in the future because of the volatility of the stock market in general and a variety of factors, including:

- quarterly variations in actual or anticipated results of our operations;
- changes in financial estimates by securities analysts;
- actions or announcements by our competitors;
- regulatory actions;
- changes in the market outlook for the lending and real estate industries;
- departure of our key personnel; and
- future sales of our common stock, including by FNF.

These market fluctuations could result in volatility in the price of our shares of common stock, which could cause a decline in the value of your investment. You should also be aware that price volatility may be greater if the public float and trading volume of our shares of common stock is low.

Provisions in our charter documents, Delaware law and state insurance laws may delay or prevent a change in control and may therefore prevent stockholders from receiving the benefit of potential control transactions.

Our certificate of incorporation, bylaws and the laws of Delaware contain provisions that may delay, deter or prevent a takeover attempt that some stockholders might consider in their best interests. For example, our organizational documents provide for a classified board of directors with staggered terms, prevent stockholders from taking action by written consent, prevent stockholders from calling a special meeting of stockholders, provide for supermajority voting requirements to amend our certificate of incorporation and certain provisions of our bylaws and provide for the filling of vacancies on our board of directors by the majority of the directors then in office. These provisions will render the removal of the incumbent board of directors or management more difficult. In addition, these provisions may prevent stockholders from receiving the benefit of any premium over the market price of our common stock offered by a bidder in a potential takeover. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if they are viewed as discouraging takeover attempts in the future.

Before a person can acquire control of a U.S. insurance company, prior written approval must be obtained from the insurance commissioner of the state where the domestic insurer is domiciled. Prior to granting approval of an application to acquire control of a domestic insurer, the state insurance commissioner will consider such factors as the financial strength of the applicant, the integrity and management of the applicant's board of directors and executive officers, the acquiror's plans for the insurer's board of directors and executive officers, the acquiror's plans for the future operations of the domestic insurer and any anti-competitive results that may arise from the consummation of the acquisition of control. Generally, state statutes provide that control over a domestic insurer is presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, 10% or more of the voting securities of the domestic insurer. Because a person acquiring 10% or more of our common shares would indirectly control the same percentage of the stock of our title insurance subsidiaries, the insurance change of control laws would likely apply to such a transaction.

THE DISTRIBUTION

History

We are currently a wholly-owned subsidiary of FNF. We were incorporated in Delaware on May 24, 2005 in connection with a restructuring by FNF of its title insurance business. In the restructuring, FNT will become the holding company for FNF's title insurance business. The distribution will result in FNT's title insurance business becoming a separate public company, distinct from FNF's information services business and specialty insurance business.

Benefits of the Distribution

We believe that we can realize significant benefits from the distribution. These benefits include:

- having a separate public company which will enable financial markets to better evaluate the individual operations of the title business apart from FNF;
- having a separate management and ownership structure for our company which will provide equity based compensation that is more closely related to the business in which our employees work; and
- placing us in a better position to focus on the title insurance business and maintain our competitiveness in a consolidating title insurance market.

Actions to be Taken Prior to the Distribution

Currently, FNF directly owns various subsidiaries engaged in the title insurance business. FNF will contribute the stock or other securities of these entities to its subsidiary Chicago Title and Trust Company ("CTT"). As a result of this contribution, these entities and their subsidiaries will become direct or indirect subsidiaries of CTT. Following this contribution, FNF will contribute the stock of CTT to FNT. Following this contribution, the entities comprising FNF's title business will be direct or indirect subsidiaries of FNT. This reorganization is subject to the prior approval of insurance and other regulators in several states.

Prior to the distribution of FNT common stock to the stockholders of FNF, we will enter into certain agreements in connection with the distribution. These agreements include:

- a separation agreement between us and FNF that sets forth agreements relating to our provision of financial information to FNF and cross-indemnification;
- corporate services agreements under which we will provide corporate and other support services to FNF and to FIS, and under which FNF will provide certain services to us;
- a tax matters agreement which covers our responsibilities with respect to tax liabilities and refunds, tax attributes, tax contests and other matters relating to income tax;
- a services agreement between us and FIS under which FIS will provide IT and other technology support services to us; and
- various other agreements covering employee matters, intellectual property, and other matters.

The separation agreement provides that both FNT and FNF will have access to financial information of each other and that FNT will provide to FNF all financial information and other data that will allow FNF to consolidate our results of operations and financial position or account for FNF's investment in our company under the equity method of accounting. In addition, each of FNT and FNF have agreed to indemnify the other in connection with the liabilities each assumes and any breach by it of the agreements entered into as a result of this distribution. For more detailed descriptions of the above agreements, see "Our Arrangements with FNF."

In addition, prior to the distribution we currently intend to:

- Issue $500 million principal amount of notes to FNF, with terms that mirror FNF's existing public debt; and
- Enter into a new credit facility, borrow $150 million under that facility and pay it to FNF in satisfaction of a $150 million intercompany note issued by one of our subsidiaries to FNF in August 2005.

These intended changes in our capital structure may be modified prior to the distribution. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources."

Manner of Effecting the Distribution

FNF will effect the distribution by delivering shares of Class A Common Stock of FNT representing 17.5% of the outstanding shares of FNT common stock to , which will serve as the distribution agent for the distribution, for a pro rata distribution to the holders of record of FNF as of the close of business on the record date of , 2005. The distribution of FNT Class A Common Stock will be made on the basis of a distribution ratio of .175 shares of FNT Class A Common Stock for every share of FNF common stock held as of the close of business on the record date. The actual total number of shares of FNT Class A Common Stock to be distributed depends on the number of shares of FNF common stock outstanding as of the record date. The distribution agent will credit the brokerage accounts of FNF stockholders, or if requested, will mail FNT Class A Common Stock certificates to FNF stockholders, on , 2005.

No Fractional Shares

No fractional shares of FNT Class A Common Stock will be issued to FNF stockholders as part of the distribution. Instead, all fractional shares will be aggregated and sold in the public market by the distribution agent, and the aggregate cash proceeds will be distributed proportionately to stockholders otherwise entitled to fractional shares. The distribution agent in its sole discretion will determine how and through which broker-dealer and at what price to make the sales of the aggregated fractional shares. Neither the distribution agent nor the broker-dealer will be an affiliate of FNF or FNT. If you would otherwise be entitled to a fractional share, you will receive a check or a credit to your brokerage account in an amount equal to the value of the fractional shares as soon as practicable after the distribution.

Results of the Distribution

After the distribution, FNT will be a publicly traded company, with FNF owning 100% of our Class B Common Stock, representing 82.5% of FNT's outstanding common stock and 97.9% of the voting power of our common stock. FNF will continue to be a publicly traded company. In addition, immediately after the distribution the number and identity of stockholders of record of FNT will be the same as the number and identity of stockholders of record of FNF on , 2005, the record date for the distribution. As of the record date, FNF had approximately stockholders of record and shares of common stock outstanding. The distribution will not affect the number of outstanding shares of FNF common stock or the rights of FNF stockholders. On , 2005, shares of FNT Class A Common Stock will be quoted on the NYSE under the symbol "FNT." Shares of FNF common stock will continue to be listed on the NYSE under the symbol "FNF."

FORWARD-LOOKING STATEMENTS

Some of the statements under “Prospectus Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Business” and elsewhere in this prospectus include forward-looking statements which reflect our current views with respect to future events and financial performance. These statements include forward-looking statements both with respect to us specifically and the businesses in which we are engaged generally. Statements that include the words “expect,” “intend,” “plan,” “believe,” “project,” “anticipate,” “will” and similar statements of a future or forward-looking nature identify forward-looking statements for purposes of the federal securities laws or otherwise.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in these statements. These factors include:

- adverse changes in real estate activity;
- regulatory conditions in California;
- regulation by state insurance authorities;
- regulatory investigations involving title insurance;
- rate regulation by state authorities;
- downgrades by our rating agencies;
- dependence upon our subsidiaries for dividend payments;
- competition from traditional title insurers and new entrants; and
- other factors described under “Risk Factors.”

We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

USE OF PROCEEDS

Because this is not an offering for cash, there will be no proceeds from the distribution.

DIVIDEND POLICY

We currently intend to pay an annual dividend of $1.00 per FNT common share payable quarterly to FNT stockholders of record, beginning in the quarter of 2005. Any determination to pay cash dividends will be at the discretion of our board of directors and will be dependent upon various factors then existing, including:

- our financial condition, operating results and current and anticipated cash needs;
- general economic and business conditions;
- our strategic plans and business prospects;
- regulatory restrictions on the ability of our subsidiaries to pay dividends to us to provide us with cash for the payment of dividends to our stockholders;
- any legal or contractual restrictions on our ability to pay dividends to our stockholders; and
- other factors that our board of directors may consider to be relevant.

Our U.S. insurance subsidiaries are regulated by the insurance laws and regulations of their respective states of domicile regarding dividends and distributions to us. During the remainder of 2005, our title insurance subsidiaries can pay dividends or make distributions to us of approximately $89.1 million without prior regulatory approval. For a more detailed discussion of the regulatory restrictions on dividends from our title insurance subsidiaries, see “Business — Regulation.”

Table of Contents

CAPITALIZATION

The following table describes our cash and cash equivalents and capitalization as of June 30, 2005 on an actual basis, and on an as-adjusted basis to give effect to the distribution, the debt we will incur immediately prior to the distribution, the payment of dividends by one of our insurance subsidiaries to FNF and our estimated distribution expenses. The information presented below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our combined financial statements and the related notes included elsewhere in this prospectus.

	As of June 30, 2005	
	Actual	As Adjusted
	(In thousands)	
Cash and cash equivalents	$ 614,555	
Total long-term debt	7,802	
Stockholders' equity		
Common stock, $0.0001 par value	—	
Additional paid-in capital	—	
Investment by FNF	3,096,617	
Accumulated other comprehensive loss	(52,002)	
Total	3,044,615	
Total capitalization	$ 3,052,417	

The actual and as-adjusted information set forth in the table:

- excludes   shares of common stock issuable upon the exercise of stock options to be granted under our omnibus incentive plan as of completion of this distribution, at an exercise price equal to the closing price of our Class A Common Stock on the NYSE on the date of the distribution; and
- excludes   shares of common stock available for future issuance under our omnibus incentive plan. For a description of this plan, see "Management — Omnibus Incentive Plan."

The as adjusted information set forth in the table:

- includes the payment of a dividend of $145 million in July 2005 to FNF by one of our insurance subsidiaries.
- includes $150 million of borrowings under a new credit facility to repay a $150 million principal amount promissory note dividended in August 2005 to FNF by one of our insurance subsidiaries; and
- includes our planned issuance of $500 million principal amount of notes to FNF, with terms that mirror FNF's existing public debt;

Our capital structure is subject to conditions at the time of the distribution and to finalizing our discussions with the rating agencies and may be modified prior to the distribution. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources."

SELECTED HISTORICAL FINANCIAL INFORMATION

The following table sets forth our selected historical financial information. The selected historical financial information as of December 31, 2004 and 2003 and for each of the years in the three-year period ended December 31, 2004 has been derived from our combined financial statements and related notes, which have been audited by KPMG LLP, an independent registered public accounting firm. The audited combined financial statements as of December 31, 2004 and 2003 and for each of the years in the three-year period ended December 31, 2004 are included elsewhere in this prospectus. The selected historical financial information as of June 30, 2004 and December 31, 2002 and as of and for the years ended December 31, 2001 and 2000 has been derived from our unaudited combined financial statements not appearing herein. The selected historical financial information as of June 30, 2005 and for the six months ended June 30, 2005 and 2004 has been derived from our unaudited condensed combined financial statements, which are included elsewhere in this prospectus. You should read this financial information in conjunction with the audited and unaudited combined financial statements included elsewhere in this prospectus and the information under "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our selected historical financial information has been prepared from the historical results of the operations transferred to us and gives effect to allocations of certain corporate expenses to and from FNF. Our selected historical financial information may not be indicative of our future performance and does not necessarily reflect what our financial position and results of operations would have been had we operated as a stand-alone entity during the periods presented. Our results of interim periods are not necessarily indicative of results for the entire year.

	Six Months Ended June 30,		Year Ended December 31,				
	2005(2)	2004(2)	2004(2)	2003(2)	2002	2001(1)(3)	2000(1)
				(In thousands)			
Statement of Earnings Data							
Direct title insurance premiums	$ 1,017,396	$ 987,019	$ 2,003,447	$ 2,105,317	$ 1,557,769	$ 1,252,656	$ 786,588
Agency title insurance premiums	1,304,200	1,348,430	2,714,770	2,595,433	1,989,958	1,441,416	1,159,205
Total title premiums	2,321,596	2,335,449	4,718,217	4,700,750	3,547,727	2,694,072	1,945,793
Escrow and other title related fees	543,465	514,019	1,039,835	1,058,729	790,787	656,739	496,435
Total title and escrow	2,865,061	2,849,468	5,758,052	5,759,479	4,338,514	3,350,811	2,442,228
Interest and investment income	45,430	28,163	64,885	56,708	72,305	88,232	80,407
Realized gains and losses, net	21,922	17,044	22,948	101,839	584	946	4,605
Other income	20,020	21,573	43,528	52,689	55,927	50,476	27,434
Total revenue	2,952,433	2,916,248	5,889,413	5,970,715	4,467,330	3,490,465	2,554,674
Personnel costs	904,603	838,063	1,680,805	1,692,895	1,260,070	1,036,236	765,319
Other operating expenses	451,093	422,113	849,554	817,597	633,193	558,263	457,476
Agent commissions	1,005,121	1,046,601	2,117,122	2,035,810	1,567,112	1,131,892	906,043
Depreciation and amortization	49,389	44,193	95,718	79,077	53,042	100,225	88,033
Provision for claim losses	150,677	125,010	259,402	248,834	175,963	134,527	97,161
Interest expense	724	2,256	3,885	4,582	8,586	15,695	15,460
Total expenses	2,561,607	2,478,236	5,006,486	4,878,795	3,697,966	2,976,838	2,329,492
Earnings before income taxes and minority interest	390,826	438,012	882,927	1,091,920	769,364	513,627	225,182
Income tax expense	146,637	160,312	323,598	407,736	276,970	205,965	97,053
Earnings before minority interest	244,189	277,700	559,329	684,184	492,394	307,662	128,129
Minority interest	1,292	455	1,165	859	624	—	—
Cumulative effect of accounting change	—	—	—	—	—	5,709	—
Net earnings	$ 242,897	$ 277,245	$ 558,164	$ 683,325	$ 491,770	$ 301,953	$ 128,129

(1) Effective January 1, 2002, we adopted SFAS No. 142 "Goodwill and Other Intangible Assets" and as a result, have ceased to amortize goodwill. Goodwill amortization in 2001 and 2000 was $33.2 million and $47.5 million, respectively.

(2) Effective January 1, 2003, we adopted the fair value recognition provisions of SFAS No. 123, "Accounting for Stock-Based Compensation", using the prospective method of adoption in accordance with SFAS No. 148, "Accounting for Stock-Based Compensation — Transition and Disclosure", and as a result recorded stock compensation expense of $3.4 million and $3.0 million for the years ended December 31, 2004 and 2003, respectively, and $5.4 million and $2.1 million for the six months ended June 30, 2005 and 2004, respectively.

(3) During 2001, we recorded a $5.7 million, after-tax charge, reflected as a cumulative effect of a change in accounting principle, as a result of adopting Emerging Issues Task Force No. 99-20, "Recognition of Interest Income and Impairment on Purchased and Retained Beneficial Interests in Securitized Financial Assets", ("EITF 99-20").

	As of June 30,		As of December 31,				
	2005	2004	2004	2003	2002	2001	2000
				(In thousands)			
Balance sheet data (at end of period)							
Investments	$ 3,424,810	$ 2,791,713	$ 2,819,489	$ 2,510,182	$ 2,337,472	$ 1,705,267	$ 1,579,790
Cash and cash equivalents	614,555	497,653	268,414	395,857	433,379	491,709	214,398
Total assets	5,973,378	5,262,282	5,074,091	4,782,664	4,494,716	3,848,300	3,542,307
Notes payable	7,802	36,946	22,390	54,259	107,874	176,116	148,858
Reserve for claim losses	984,290	977,926	980,746	932,439	887,973	881,053	907,292
Minority interests	4,643	3,448	3,951	2,488	1,098	239	204
Equity	3,044,615	2,531,127	2,676,756	2,469,186	2,234,484	1,741,387	1,593,509
Other non-financial data: (unaudited) (in whole numbers)							
Direct operations orders opened(1)	1,577,164	1,689,219	3,142,945	3,771,393	2,953,797	2,496,597	1,267,407
Direct operations orders closed(1)	1,048,931	1,165,864	2,249,792	2,916,201	2,141,680	1,685,147	911,349
Fee per closed file(1)	$ 1,447	$ 1,257	$ 1,324	$ 1,081	$ 1,099	$ 1,120	$ 1,387

(1) These measures are used by management to judge productivity and are a measure of transaction volume for our direct title businesses. An order is opened when we receive a customer order and is closed when the related real estate transaction closes, which typically takes 45-60 days from the opening of an order.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the combined financial statements and the notes thereto and selected historical financial information included elsewhere in this prospectus. The discussion below contains forward-looking statements that are based upon our current expectations and are subject to uncertainty and changes in circumstances. Our actual results may differ materially from these expectations due to changes in global, political, economic, business, competitive and market factors, many of which are beyond our control. See "Forward-Looking Statements."

Overview

We are the largest title insurance company in the United States. Our title insurance underwriters — Fidelity National Title, Chicago Title, Ticor Title, Security Union Title and Alamo Title — together issued approximately 30.5% of all title insurance policies issued nationally during 2004, as measured by premiums. Our title business consists of providing title insurance and escrow and other title-related products and services arising from the real estate closing process. Our operations are conducted on a direct basis through our own employees who act as title and escrow agents and through independent agents. In addition to our independent agents, our customers are lenders, mortgage brokers, attorneys, real estate agents, home builders and commercial real estate developers. We do not focus our marketing efforts on the homeowner.

Our Historical Financial Information

We were incorporated in Delaware on May 24, 2005 in connection with a restructuring of our title insurance operations. Prior to the distribution FNF will contribute to us the subsidiaries relating to our business and operations as described in this prospectus.

Our historical financial statements include assets, liabilities, revenues and expenses directly attributable to our operations. Our historical financial statements reflect allocations of certain of our corporate expenses to FNF and FIS. These expenses have been allocated to FNF and FIS on a basis that management considers to reflect most fairly or reasonably the utilization of the services provided to or the benefit obtained by those businesses. These expense allocations to FNF and FIS reflect an allocation to us of a portion of the compensation of certain senior officers and other personnel of FNF who will not be our employees after the distribution but who historically provided services to us. Our historical financial statements do not reflect the debt or interest expense we might have incurred if we had been a stand-alone entity. In addition, we will incur other expenses, not reflected in our historical financial statements, as a result of being a separate publicly traded company. As a result, our historical financial statements do not necessarily reflect what our financial position or results of operations would have been if we had been operated as a stand-alone public entity during the periods covered, and may not be indicative of our future results of operations or financial position.

FIS was established as a separate subsidiary of FNF in connection with a restructuring that was effective as of November 1, 2004 and prior to that time, FIS's businesses were either subsidiaries of FNF, or were operated as divisions of certain companies that will be our subsidiaries. Historical references to FIS in this prospectus include assets, liabilities, revenues and expenses directly attributable to FIS's operations, including where those operations were conducted as a division of one of our subsidiaries.

Related Party Transactions

Our historical financial statements reflect transactions with other businesses and operations of FNF not being transferred to us, including those being conducted with FIS.

A detail of related party items included in revenues is as follows:

	2004	2003	2002
		(In millions)	
Agency title premiums earned	$ 106.3	$ 284.9	$ 53.0
Rental income earned	8.4	7.3	6.7
Interest revenue	1.0	0.7	0.5
Total revenue	$ 115.7	$ 292.9	$ 60.2

A detail of related party items included in operating expenses is as follows:

Agency title commissions	$ 93.6	$ 250.7	$ 46.7
Data processing costs	56.6	12.4	—
Data processing costs allocated	—	(5.4)	(5.8)
Corporate services allocated	(84.5)	(48.7)	(28.6)
Title insurance information expense	28.6	28.2	24.3
Other real-estate related information	$ 9.9	$ 11.4	$ 3.7
Software expense	5.8	2.6	1.3
Rental expense	2.8	0.5	—
Total expenses	$ 112.8	$ 251.7	$ 41.6
Total pretax impact of related party activity	$ 2.9	$ 41.2	$ 18.6

Included as a reduction of our expenses for all periods are amounts allocated to FNF and FIS relating to the provision by us of corporate services to FNF and to FIS and its subsidiaries. These corporate services include accounting, internal audit and treasury, payroll, human resources, tax, legal, purchasing, risk management, mergers and acquisitions and general management. For the years ended December 31, 2004, 2003 and 2002, our expenses were reduced by $9.4 million, $9.2 million and $7.0 million, respectively, related to the provision of these corporate services by us to FNF and its subsidiaries other than FIS and its subsidiaries. For the years ended December 31, 2004, 2003 and 2002, our expenses were reduced by $75.1 million, $39.5 million and $21.6 million, respectively, related to the provision of corporate services by us to FIS and its subsidiaries.

We also do business with the lender outsourcing solutions segment of FIS, which includes title agency functions whereby an FIS subsidiary acts as the title agent in the issuance of title insurance policies by a title insurance underwriter owned by us and in connection with certain trustee sales guarantees, a form of title insurance issued as part of the foreclosure process. As a result, our title insurance subsidiaries pay commissions on title insurance policies sold through FIS. For 2004, 2003, and 2002, these FIS operations generated $106.3 million, $284.9 million and $53.0 million of revenues for us, which we reflect as agency title premium. We paid FIS commissions at the rate of 88% of premiums generated, equal to $93.6 million, $250.7 million and $46.7 million for 2004, 2003 and 2002 respectively.

We also historically have leased equipment to a subsidiary of FIS. Revenue relating to these leases was $8.4 million, $7.3 million and $6.7 million in 2004, 2003 and 2002, respectively. The title plant assets of several of our title insurance subsidiaries are managed or maintained by a subsidiary of FIS. The underlying title plant information and software continues to be owned by each of our title insurance underwriters, but FIS manages and updates the information in return for either (i) a cash management fee or (ii) the right to sell that information to title insurers, including title insurance underwriters that we own and other third party customers. In most cases, FIS is responsible for keeping the title plant assets current and fully functioning, for which we pay a fee to FIS based on our use of, or access to, the title plant. For 2004, 2003 and 2002, our expenses to FIS under these arrangements were $28.9 million, $28.2 million and $24.3 million, respectively. In addition, since November 2004, each applicable title insurance underwriter in turn receives a royalty on sales of access to its title plant assets. For the year ended December 31, 2004, the revenues from these title plant royalties were $0.3 million. Prior to 2004, there was no royalty agreement in place, but if it had been, we would have earned approximately $2.9 million and $2.7 million in additional revenue from FIS for 2003 and 2002, respectively. In addition, we have entered into agreements with FIS that permit FIS and certain of its subsidiaries to access and use (but not to re-sell) the starters databases and back plant databases of our title insurance subsidiaries. Starters databases are our databases of previously issued title policies and back plant databases contain historical records relating to title that are not regularly updated. Each of our applicable title insurance subsidiaries receives a fee for any access to or use of its starters and back plant databases by FIS. We also do business with additional entities within the information services segment of FIS that provide real estate information to our operations. We recorded expenses of $9.9 million, $11.4 million and $3.7 million in 2004, 2003 and 2002, respectively.

Included in our expenses for 2004 and 2003 are amounts paid to a subsidiary of FIS for the provision by FIS to us of IT infrastructure support, data center management and related IT support services. For 2004 and 2003, the amounts included in our expenses to FIS for these services were $56.6 million and $12.4 million respectively. Prior to September 2003, we performed these services ourselves and provided them to FIS. During 2003 and 2002, we received payments from FIS of $5.4 million and $5.8 million relating to these services that offset our other operating expenses. In addition, we incurred software expenses relating to an agreement with a subsidiary of FIS that amounted to $5.8 million, $2.6 million and $1.3 million in 2004, 2003 and 2002, respectively.

Our financial statements for 2004 and 2003 reflect allocations for a lease of office space to us for our corporate headquarters and business operations.

We believe the amounts earned by us or charged to us under each of the foregoing arrangements are fair and reasonable. Although the commission rate paid on the title insurance premiums written by the FIS title agencies was set without negotiation, we believe it is consistent with the average rate that would be available to a third party title agent given the amount and the geographic distribution of the business produced and the low risk of loss profile of the business placed. In connection with the title plant management and maintenance services provided by FIS, we believe that the fees charged to us by FIS are at approximately the same rates that FIS and other similar vendors charge unaffiliated title insurers. The IT infrastructure support and data center management services provided to us by FIS are priced within the range of prices that FIS offers to its unaffiliated third party customers for the same types of services. However, the amounts we earned or were charged under these arrangements were not negotiated at arm’s length, and may not represent the terms that we might have obtained from an unrelated third party.

Amounts due from FNF to us as of December 31, 2004 and December 31, 2003 were as follows:

	As of December 31, 2004	As of December 31, 2003
	(In millions)	
Notes receivable from FNF	$ 22.8	$ 26.6
Taxes due from FNF	63.6	44.1

We have notes receivable from FNF relating to loans by our title underwriters to FNF. These notes amounted to $22.8 million and $26.6 million at December 31, 2004 and 2003, respectively. As of December 31, 2004, these notes bear interest at 2.66%. We earned interest revenue of $1.0 million, $0.7 million and $0.5 million relating to these notes during 2004, 2003 and 2002, respectively.

We are included in FNF’s consolidated tax returns and thus any income tax liability or receivable is due to/from FNF. As of December 31, 2004 and 2003, we have recorded a receivable from FNF relating to overpayment of taxes of $63.6 million and $44.1 million, respectively.

Certain of the foregoing related party arrangements are set forth in agreements between us and FNF or FIS that will remain in effect for specified periods following the distribution. For a description of these agreements, see “Certain Relationships and Related Transactions — Historical Related-Party Transactions.” Other items described above in respect of which amounts have been allocated to or by us will be the subject of agreements to be entered into by us with related parties at or prior to the time of the distribution. These new agreements and certain other agreements we will enter into at the time of the distribution are described in "Our Arrangements with FNF."

Prior to the distribution we intend to issue two $250 million intercompany notes payable to FNF, with terms that mirror FNF's existing $250 million 7.30% public debentures due in August 2011 and $250 million 5.25% public debentures due in March 2013. Proceeds from the issuance of the 2011 public debentures were used by FNF to repay debt incurred in connection with the acquisition of our subsidiary, Chicago Title, and the proceeds from the 2013 public debentures were used for general corporate purposes. Following the issuance of the intercompany notes, we may make an exchange offer in which we would offer to exchange the outstanding FNF notes for notes we would issue having substantially the same terms and deliver the FNF notes received to FNF to reduce the debt under the intercompany notes. Our capital structure is subject to conditions at the time of the distribution and finalizing our discussions with rating agencies and may be modified prior to the distribution. See "— Liquidity and Capital Resources."

Recent Developments

Our Recent Acquisitions

On March 22, 2004, we acquired American Pioneer Title Insurance Company ("APTIC") for $115.2 million in cash. APTIC is a title insurance underwriter licensed in 45 states with significant agency operations and computerized title plant assets in the state of Florida. APTIC now operates under our Ticor Title brand.

On July 29, 2005, the Company acquired Service Link, L.P. ("Service Link"), a national provider of centralized mortgage and residential real estate title and closing services to major financial institutions and institutional lenders. The acquisition price was approximately $110 million in cash.

Business Trends and Conditions

Title insurance revenue is closely related to the level of real estate activity and the average price of real estate sales. Real estate sales are directly affected by the availability of funds to finance purchases, predominantly mortgage interest rates. Other factors affecting real estate activity include, but are not limited to, demand for housing, employment levels, family income levels and general economic conditions. In addition to real estate sales, mortgage refinancing is an important source of title insurance revenue. We have found that residential real estate activity generally decreases in the following situations:

- when mortgage interest rates are high or increasing;
- when the mortgage funding supply is limited; and
- when the United States economy is weak.

Because commercial real estate transactions tend to be driven more by supply and demand for commercial space and occupancy rates in a particular area rather than by macroeconomic events, our commercial real estate title insurance business can generate revenues which are countercyclical to the industry cycles discussed above.

Because these factors can change dramatically, revenue levels in the title insurance industry can also change dramatically. For example, beginning in the second half of 1999 and through 2000, steady interest rate increases caused by actions taken by the Federal Reserve Board resulted in a significant decline in refinancing transactions. As a result, the market shifted from a refinance-driven market in 1998 to a more traditional market driven by new home purchases and resales in 1999 and 2000. However, beginning in January 2001 and continuing through June of 2003, the Federal Reserve Board reduced interest rates by 550 basis points, bringing interest rates down to their lowest level in recent history, which again significantly increased the volume of refinance activity. Beginning in mid-June 2003 and continuing through most of 2004, the ten-year treasury bond yield increased from a low of nearly 3.0% to more than 4.5%, causing mortgage interest rates to rise, which decreased the volume of refinance activity.

Notwithstanding the increase in interest rates, home prices appreciated strongly in many markets in 2004, benefiting our revenues. Through the second quarter of 2005, refinance activity has continued to decrease, but real estate activity continues at a high rate and the appreciation of home prices remains high. The decreased refinance activity is evidenced by the Mortgage Bankers Association's ("MBA") statistics showing that approximately 43.3% of new loan originations in the first six months of 2005 were refinance transactions as compared with approximately 48.8% in the first six months of 2004. In July 2005 the ten-year treasury rate moved above 4.25%, but the MBA's Mortgage Finance Forecast estimates a $2.738 trillion mortgage origination market for 2005, which would be a 6% increase from 2004.

Historically, real estate transactions have produced seasonal revenue levels for title insurers. The first calendar quarter is typically the weakest quarter in terms of revenue due to the generally low volume of home sales during January and February. The fourth calendar quarter is typically the strongest in terms of revenue due to commercial customers desiring to complete transactions by year-end. Significant changes in interest rates may alter these traditional seasonal patterns due to the effect the cost of financing has on the volume of real estate transactions.

Critical Accounting Estimates

The accounting estimates described below are those we consider critical in preparing our Combined Financial Statements. Management is required to make estimates and assumptions that can affect the reported amounts of assets and liabilities and disclosures with respect to contingent assets and liabilities at the date of the Combined Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates. See Note A of Notes to the Combined Financial Statements for a more detailed description of the significant accounting policies that have been followed in preparing our Combined Financial Statements.

Reserve for Claim Losses. Title companies issue two types of policies since both the buyer and lender in real estate transactions want to know that their interest in the property is insured against certain title defects outlined in the policy. An owner's policy insures the purchaser for as long as he or she owns the property and a lender's policy insures the priority of the lender's security interest over the claims that other parties may have in the property. The maximum amount of liability under a title insurance policy is generally the face amount of the policy plus the cost of defending the insured's title against an adverse claim. While most non-title forms of insurance, including property and casualty, provide for the assumption of risk of loss arising out of unforeseen future events, title insurance serves to protect the policyholder from risk of loss from events that predated the issuance of the policy.

Unlike many other forms of insurance, title insurance requires only a one-time premium for continuous coverage until another policy is warranted due to changes in property circumstances arising from refinance, resale, additional liens, or other events. Unless we issue the subsequent policy, we receive no notice that our exposure under our policy has ended and as a result we are unable to track the actual terminations of our exposures.

Our reserve for claim losses includes reserves for known claims (PLR) as well as for losses that have been incurred but not yet reported to us (IBNR), net of recoupments. Each known claim is reserved for based on our review of the estimated amount of the claim and the costs required to settle the claim. Reserves for claims that are IBNR are estimates that are established at the time the premium revenue is recognized and are based upon historical experience and other factors, including industry trends, claim loss history, legal environment, geographic considerations, and the types of policies written. We also reserve for losses arising from escrow, closing and disbursement functions, due to fraud or operational error.

The table below summarizes our reserves for known claims and incurred but not reported claims.

	As of December 31, 2004	%	As of December 31, 2003	%
		(in thousands)		
PLR	$ 223,202	22.8%	$ 207,909	22.3%
IBNR	757,544	77.2%	724,530	77.7%
Total Reserve	$ 980,746	100.0%	$ 932,439	100.0%

Although most claims against title insurance policies are reported relatively soon after the policy has been issued, claims may be reported many years later. By their nature, claims are often complex, vary greatly in dollar amounts and are affected by economic and market conditions and the legal environment existing at the time of settlement of the claims. Estimating future title loss payments is difficult because of the complex nature of title claims, the long periods of time over which claims are paid, significantly varying dollar amounts of individual claims and other factors.

We continually update loss reserve estimates by utilizing both internal and external resources. Management performs a detailed study of loss reserves based upon the latest available information at the end of each quarter and year. In addition, an independent actuarial consulting firm assists us in analyzing our historic loss experience and developing statistical models to project ultimate loss expectancy. The actuaries prepare a formal analysis of our reserves at December 31 each year. Management examines both the quantitative data provided by the actuaries and qualitative information derived from internal sources such as our legal, claims, and underwriting departments to ultimately arrive at our best reserve estimate. Regardless of technique, all methods involve significant judgment and assumptions. Management strives to improve its loss reserve estimation process by enhancing its ability to analyze loss development patterns and we continually look for ways to identify new trends to reduce the uncertainty of our loss exposure. However, adjustments may be required as experience develops unexpectedly, new information becomes known, new loss patterns emerge, or as other contributing factors are considered and incorporated into the analysis.

Predicting ultimate loss exposure is predicated on evaluating past experience and adjusting for changes in current development and trends. The external actuaries incorporate two primary statistical models, both of which examine past loss experience on a paid and incurred basis. The loss development method forecasts ultimate losses for each policy year based on historic emergence patterns of the Company. Older policy year experience is applied to newer policy years to project future development. When new trends surface, the loss development factors are adjusted to incorporate the more recent development phenomena. Changes in homeownership patterns, increased property turnover rates, and a boom in refinance transactions all are examples of current events that reduce the tail exposure of the loss pattern and warrant these adjustments.

The second technique combines the loss development approach with expected loss ratios. These ratios are derived from an econometric model of the title insurance industry incorporating various economic variables including interest rates as well as industry related developments such as title plant automation and defalcations, which are misappropriations of funds from escrow accounts, to arrive at an expected loss ratio for each policy year. The product of the loss ratio and written premium equals the exposure base for each policy year. The same loss development factors calculated in the first method are used to determine the portion of ultimate losses already reported in order to arrive at the incurred but not yet reported losses. More weight is placed on this second method since it not only incorporates our own loss experience but also factors other macroeconomic circumstances that closely correlate the title industry into its projections.

The table below presents our loss development experience for the past three years. As can be seen in the table, the variability in loss estimates over the past three years has ranged from favorable development in an amount equal to 0.9% of title premiums to adverse development of 0.2% of title premiums with the average being favorable development of 0.3% over the three year period. Assuming that variability of potential reserve estimates is + or - 0.3%, the effect on pretax earnings would be as presented in the last line of the table.

	2004	2003	2002
		(in thousands)	
Beginning Balance	$ 932,439	$ 887,973	$ 881,053
Reserve Assumed	38,597	4,203	—
Claims Loss provision:			
Current year	275,406	237,919	207,290
Prior year	(16,004)	10,915	(31,337)
Total provision	259,402	248,834	175,953
Claims paid, net of recoupment			
Current year	(19,095)	(11,591)	(10,058)
Prior year	(230,597)	(196,980)	(158,975)
Total paids, net of recoupments	(249,692)	(208,571)	(169,033)
Ending Balance	$ 980,746	$ 932,439	$ 887,973
Title Premiums	$ 4,718,217	$ 4,700,750	$ 3,547,727
Provision for claim losses as a percentage of title insurance premiums:			
Current Year	5.8%	5.1%	5.8%
Prior Years	(0.3)%	0.2%	(0.9)%
Total Provision	5.5%	5.3%	5.0%
Sensitivity Analysis (.30% Loss Ratio Change)[1] :			
Ultimate Reserve Estimate +/-	$ 14,155	$ 14,102	$ 10,643

[1] 0.3% has been selected as an example; actual variability could be greater or less.

Our analysis of our reserves as of December 31, 2004 demonstrates management's continued efforts to improve its loss reserve estimate. For the first time, a separate analysis of mega claims (defined as claims with incurred amounts greater than $500,000) was performed. Prior to this analysis these large claims have influenced the loss development factors used in both actuarial methods by creating a multiplicative effect for newer policy years' loss projections. The mega claims are handled by specific attorneys and may have different emergence patterns that must be projected in isolation from the other claims.

In addition, adjustments were made to reflect the reduced tail exposure of fairly recent policy years due to unprecedented refinancing activity and property turnover rates. Our hypothesis supported by recent data is that a lower percentage of policies from prior years remain in force due to the substantial turnover in property mortgages. Furthermore, it is our belief that refinance transactions develop differently than resale transactions in that there appears to be an acceleration of claim activity as claims are reported more quickly. As a result, we have incorporated the effect of these assumptions on our loss projections.

Valuation of Investments. We regularly review our investment portfolio for factors that may indicate that a decline in fair value of an investment is other-than-temporary. Some factors considered in evaluating whether or not a decline in fair value is other-than-temporary include: (i) our ability and intent to retain the investment for a period of time sufficient to allow for a recovery in value; (ii) the duration and extent to which the fair value has been less than cost; and (iii) the financial condition and prospects of the issuer. Such reviews are inherently uncertain and the value of the investment may not fully recover or may decline in future periods resulting in a realized loss. Investments are selected for analysis whenever an unrealized loss is greater than a certain threshold that we determine based on the size of our portfolio. Fixed maturity investments that have unrealized losses caused by interest rate movements are not at risk as we have the ability and intent to hold them to maturity. Unrealized losses on investments in equity securities and fixed maturity instruments that are susceptible to credit related declines are evaluated based on the aforementioned factors. Currently available market data is considered and estimates are made as to the duration and prospects for recovery, and the ability to retain the investment until such recovery takes place. These estimates are revisited quarterly and any material degradation in the prospect for recovery will be considered in the other than temporary impairment analysis. We believe that continuous monitoring and analysis has allowed for the proper recognition of other than temporary impairments over the past three year period. Any change in estimate in this area will have an impact on the results of operations of the period in which a charge is taken. During 2004, 2003 and 2002, we recorded other than temporary impairments totaling $6.6 million, $0.0 million and $30.4 million, respectively.

Goodwill. We have made acquisitions in the past that have resulted in a significant amount of goodwill. As of December 31, 2004 and December 31, 2003, goodwill was $959.6 million and $920.3 million, respectively. The majority of our goodwill as of December 31, 2004 and 2003 relates to our Chicago Title acquisition. The process of determining whether or not an asset, such as goodwill, is impaired or recoverable relies on projections of future cash flows, operating results and market conditions. While we believe that our estimates of future cash flows are reasonable, these estimates are not guarantees of future performance and are subject to risks and uncertainties that may cause actual results to differ from what is assumed in these impairment tests. In evaluating the recoverability of goodwill, we perform an annual goodwill impairment test based on an analysis of the discounted future cash flows generated by the underlying assets. We have completed our annual goodwill impairment tests in each of the past three years and have determined that we have a fair value in excess of our carrying value. Such analyses are particularly sensitive to changes in estimates of future cash flows and discount rates. Changes to these estimates might result in material changes in fair value and determination of the recoverability of goodwill which may result in charges against earnings and a reduction in the carrying value of our goodwill.

Long-Lived Assets. We review long-lived assets, primarily computer software, property and equipment and other intangibles, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If indicators of impairment are present, we estimate the future net cash flows expected to be generated from the use of those assets and their eventual disposal. We would recognize an impairment loss if the aggregate future net cash flows were less than the carrying amount. We have not recorded any material impairment charges in the past three years. As a result, the carrying values of these assets could be significantly affected by the accuracy of our estimates of future net cash flows, which cannot be estimated with certainty, similar to our goodwill analysis.

Revenue Recognition. Our direct title insurance premiums and escrow and other title-related fees are recognized as revenue at the time of closing of the related transaction as the earnings process is then considered complete, whereas premium revenues from agency operations and agency commissions include an accrual based on estimates using historical information of the volume of transactions that have closed in a particular period for which premiums have not yet been reported to us. The accrual for agency premiums is necessary because of the lag between the closing of these transactions and the reporting of these policies to us by the agent. In the second quarter of 2005, we began to compile data that illustrated the correlation of direct and agency premiums. Prior to the end of the quarter we determined that we had gathered sufficient data and concluded that we should enhance our lag accrual methodology to utilize the additional data. Accordingly, we refined our method of estimation for accruing agency title revenues and commissions to take into account trends in direct premiums in addition to the historical information about agency premiums and commissions previously considered. This refinement resulted in our recording approximately $50.0 million in additional agency revenue in the second quarter of 2005 than we would have under our prior method. After related accruals for commissions and other associated expenses, the impact on net earnings of this change was approximately $2.0 million. We are likely to continue to have changes to our accrual for agency revenue in the future, but as demonstrated by this second quarter adjustment, the impact on net earnings of changes in these accruals is very small, equal to approximately four percent of the change in revenues.

Comparisons of Six Months ended June 30, 2005 and 2004

Results of Operations

	Six Months Ended June 30,	
	2005	2004
	(In thousands)	
Direct title insurance premiums	$ 1,017,396	$ 987,019
Agency title insurance premiums	1,304,200	1,348,430
Total title insurance premiums	2,321,596	2,335,449
Escrow and other title-related fees	543,465	514,019
Interest and investment income	45,430	28,163
Realized gains and losses, net	21,922	17,044
Other income	20,020	21,573
Total revenue	2,952,433	2,916,248
Personnel costs	904,603	838,063
Other operating expenses	451,093	422,113
Agent commissions	1,005,121	1,046,601
Depreciation and amortization	49,389	44,193
Provision for claim losses	150,677	125,010
Interest expense	724	2,256
Total expense	2,561,607	2,478,236
Earnings before income taxes and minority interest	390,826	438,012
Income tax expense	146,637	160,312
Earnings before minority interest	244,189	277,700
Minority interest	1,292	455
Net Earnings	$ 242,897	$ 277,245
Orders opened by direct title operations(1)	1,577,164	1,689,219
Orders closed by direct title operations(1)	1,048,931	1,165,864

(1) These measures are used by management to judge productivity and are a measure of transaction volume for our direct title businesses. An order is opened when we receive a customer order and is closed when the related real estate transaction closes, which typically takes 45-60 days from the opening of an order.

Total revenues for the first six months of 2005 increased $36.2 million to $2,952.4 million as compared to the first six months of 2004. This increase was primarily the result of a change in accounting estimate relating to agency title premiums, increased direct title premiums, escrow and other title-related fees and interest and investment income. During the second quarter of 2005, we re-evaluated our method of estimation for accruing agency title revenues and commissions and refined the method which resulted in our recording approximately $50.0 million in additional agency revenue in the second quarter and six month period than we would have under our prior method. The impact on net earnings of this adjustment was approximately $2.0 million.

Total title insurance premiums for the six-month periods were as follows:

	Six Months Ended June 30,			
	2005	% of Total	2004	% of Total
	(In thousands)			
Title premiums from direct operations	$ 1,017,396	43.8%	$ 987,019	42.3%
Title premiums from agency operations	1,304,200	56.2%	1,348,430	57.7%
Total	$ 2,321,596	100.0%	$ 2,335,449	100.0%

Title insurance premiums decreased 0.6% to $2,321.6 million in the first six months of 2005 as compared with the first six months of 2004. A decrease of $44.2 million or 3.3% in premiums from agency operations was offset by an increase of $30.4 million or 3.1% in direct premiums. The decrease in agency premiums was offset by approximately $50.0 million in additional agency premiums accrued in the second quarter of 2005 due to the change in estimate for accruing agency revenues noted above. The increased level of direct title premiums is a direct result of an increase in the average fee per file offset by a decline in closed order levels as compared with the prior year. The drop experienced in closed orders reflects a slowing refinance market as evidenced by the MBA statistics showing that approximately 43.3% of new loan originations in the first six months of 2005 were refinance transactions as compared with approximately 48.8% in the first six months of 2004. The increase in fee per file is the result of the decreased levels of refinance-driven activity, which typically have lower fees, in the first six months of 2005 as compared with the same period of the prior year, as well as the appreciation of home prices over the past year. The decrease in agency revenues relates to the fact that the first six months of 2004 benefited from the continued strong refinance volumes of 2003, which were at an all-time high, while in the first six months of 2005 there was a weaker refinance environment. The 2004 period included $74.5 million in revenue from FIS’s title agency business, which benefited from refinancings, while the 2005 period only included $42.8 million in revenue from FIS’s title agency business.

Trends in escrow and other title-related fees are primarily related to title insurance activity generated by our direct operations. Escrow and other title-related fees during the six-month periods ended June 30, 2005 and 2004 fluctuated in a pattern generally consistent with the fluctuation in direct title insurance premiums and order counts. Escrow and other title-related fees were $543.5 million and $514.0 million for the first six months of 2005 and 2004, respectively.

Interest and investment income levels are primarily a function of securities markets, interest rates and the amount of cash available for investment. Interest and investment income in the first six months of 2005 was $45.4 million, compared with $28.2 million in the first six months of 2004, an increase of $17.2 million, or 60.9%. The increase in interest and investment income in the first six months of 2005 is due primarily to an increase in our fixed income asset base during the current year period and the increasing interest rate environment.

Net realized gains for the first six months of 2005 were $21.9 million compared with net realized gains of $17.0 million for the corresponding period of the prior year.

Operating expenses consist primarily of personnel costs and other operating expenses, which are incurred as orders are received and processed, and agent commissions which are incurred as revenue is recognized. Title insurance premiums, escrow and other title-related fees are generally recognized as income at the time the underlying transaction closes. As a result, direct operations revenue lags approximately 45-60 days behind expenses and therefore gross margins may fluctuate. The changes in the market environment and mix of business between direct and agency operations have impacted margins and net earnings. We have implemented programs and have taken necessary actions to maintain expense levels consistent with revenue streams. However, a short time lag does exist in reducing short-run fixed costs and certain long-run fixed costs are incurred regardless of revenue levels.

Personnel costs include base salaries, commissions, benefits and bonuses paid to employees, and are one of our most significant operating expenses. Personnel costs totaled $904.6 million and $838.1 million for the six months ended June 30, 2005 and 2004, respectively. Personnel costs, as a percentage of total direct title premiums and escrow and other title-related fees, were 58.0% in the first six months of 2005, and 55.8% for the first six months of 2004. The increase of $66.5 million or 7.9% in personnel costs primarily relates to an increase in revenues from direct operations of 3.9% and higher costs incurred in 2005 due to the competitive environment.

Other operating expenses consist primarily of facilities expenses, title plant-related charges, premium taxes (which insurance underwriters are required to pay on title premiums in lieu of franchise and other state taxes), postage and courier services, computer services, professional services, advertising expenses, general insurance and trade receivable allowances. Other operating expenses totaled $451.1 million and $422.1 million for the six months ended June 30, 2005 and 2004, respectively. The increase of $29.0 million or 6.8% primarily relates to the increase in revenues from direct operations.

Agent commissions represent the portion of premiums retained by agents pursuant to the terms of their respective agency contracts. Agent commissions and the resulting percentage of agent premiums we retain vary according to regional differences in real estate closing practices and state regulations.

The following table illustrates the relationship of agent premiums and agent commissions:

	Six Months Ended June 30,			
	2005		2004	
	Amount	%	Amount	%
	(In thousands)			
Agent title premiums	$ 1,304,200	100.0%	$ 1,348,430	100.0%
Agent commissions	1,005,121	77.1%	1,046,601	77.6%
Net margin	$ 299,079	22.9%	$ 301,829	22.4%

Net margin from agency title insurance premiums increased as a percentage of total agency premiums due to our writing a higher percentage of policies in states where we pay lower commission rates.

The provision for claim losses includes an estimate of anticipated title and title-related claims, and escrow losses. The estimate of anticipated title and title-related claims is accrued as a percentage of title premium revenue based on our historical loss experience and other relevant factors. We monitor our claims loss experience on a continual basis and adjust the provision for claim losses accordingly. The claim loss provision for title insurance was $150.7 million in the first six months of 2005 as compared to $125.0 million in the first six months of 2004. Our claim loss provision as a percentage of total title premiums was 6.5% and 5.4% in the first six months of 2005 and 2004, respectively. The increase is attributable to higher than expected payment levels, especially for individually significant claims, and a return to a more normalized environment with the volume of resale transactions exceeding the refinance transactions.

Interest expense was $0.7 million and $2.3 million in the first six months of 2005 and 2004, respectively.

Income tax expense as a percentage of earnings before income taxes was 37.5% for the first six months of 2005 and 36.6% for the first six months of 2004. Income tax expense as a percentage of earnings before income taxes changes due to the characteristics of pre-tax earnings, such as the percentage of earnings from operating income, investment income and state tax apportionment, year to year.

Comparisons of Years ended December 31, 2004, 2003 and 2002

Results of Operations

The following table presents certain financial data for the years indicated:

	Year Ended December 31, 2004	2003	2002
		(In thousands)	
Direct title insurance premiums	$ 2,003,447	$ 2,105,317	$ 1,557,769
Agency title insurance premiums	2,714,770	2,595,433	1,989,958
Total title premiums	4,718,217	4,700,750	3,547,727
Escrow and other title-related fees	1,039,835	1,058,729	790,787
Interest and investment income	64,885	56,708	72,305
Realized gains and losses, net	22,948	101,839	584
Other income	43,528	52,689	55,927
	5,889,413	5,970,715	4,467,330
Personnel costs	1,680,805	1,692,895	1,260,070
Other operating expenses	849,554	817,597	633,193
Agent commissions	2,117,122	2,035,810	1,567,112
Depreciation and amortization	95,718	79,077	53,042
Provision for claim losses	259,402	248,834	175,963
Interest expense	3,885	4,582	8,586
	5,006,486	4,878,795	3,697,966
Earnings before income taxes and minority interest	882,927	1,091,920	769,364
Income tax expense	323,598	407,736	276,970
Earnings before minority interest	559,329	684,184	492,394
Minority interest	1,165	859	624
Net earnings	$ 558,164	$ 683,325	$ 491,770
Orders opened by direct title operations	3,142,945	3,771,393	2,953,797
Orders closed by direct title operations	2,249,792	2,916,201	2,141,680

Total revenue in 2004 decreased $81.3 million to $5,889.4 million, a decrease of 1.4% compared to 2003. Total revenue in 2003 increased $1,503.4 million, or 33.7% to $5,970.7 million from $4,467.3 million in 2002. Although the mix of direct and agency title premiums changed from 2003 to 2004, total title premiums and escrow and other title-related fees remained fairly consistent in 2004 as compared with 2003. The increase in total revenue in 2003 is due in part to increases in real estate and refinance activity as a result of decreasing interest rates. Further, increased realized gains on investments also contributed to increased revenue in 2003 compared to 2002.

Title insurance premiums were $4,718.2 million in 2004, $4,700.8 million in 2003 and $3,547.7 million in 2002. Direct title premiums decreased from 2003 to 2004 while agency title premiums increased during the same period. The decrease in direct title premiums is primarily due to a reduction in refinancing activity experienced in 2004 as compared with 2003 and was partially offset by an increase in the average fee per file. The average fee per file in our direct operations was $1,324, $1,081 and $1,099 in 2004, 2003 and 2002, respectively. The increase in direct title premiums in 2003 was due primarily to increases in resale and refinance activity as a result of the decline in interest rates through mid-year 2003. The increase in resale and refinance activity in 2003 was partially offset by a decrease in the average fee per file. The increase in the fee per file in 2004 and the decrease in fee per file in 2003 is consistent with the overall level of refinance activity experienced during 2004 and 2003. The fee per file tends to increase as mortgage interest rates rise, and the mix of business changes from a predominately refinance-driven market to more of a resale-driven market.

The following table presents the percentages of title insurance premiums generated by our direct and agency operations:

	Year Ended December 31,					
	2004		2003		2002	
	Amount	%	Amount	%	Amount	%
	(In thousands)					
Direct	$ 2,003,447	42.5%	$ 2,105,317	44.8%	$ 1,557,769	43.9%
Agency	2,714,770	57.5	2,595,433	55.2	1,989,958	56.1
Total title insurance premiums	$ 4,718,217	100.0%	$ 4,700,750	100.0%	$ 3,547,727	100.0%

In 2004, our mix of direct and agency title premiums changed, with agency premiums increasing to 57.5% of total premiums compared with 55.2% in 2003. Agency premiums increased in 2004 by $119.3 million, which was primarily attributed to an increase in agency premiums of $193.5 million due to our acquisition of APTIC in March 2004 that was offset by a decrease in the amount of agency revenue provided by FIS's title agency operations. Agency business in general is not as profitable as direct business. Our mix of direct and agency title insurance premiums changed in 2003 as compared with 2002, primarily as a result of our acquisition of ANFI, Inc. ("ANFI") in March 2003, and the inclusion of ANFI's title insurance premiums as direct title insurance premiums in 2003. In 2002, ANFI's title insurance premiums were included in agency title insurance premiums. Agency revenues from FIS title agency businesses were $106.3 million, $284.9 million and $53.0 million in 2004, 2003 and 2002, respectively.

Trends in escrow and other title-related fees are primarily related to title insurance activity generated by our direct operations. Escrow and other title-related fees during the three-year period ended December 31, 2004, fluctuated in a pattern generally consistent with the fluctuation in direct title insurance premiums and order counts. Escrow and other title-related fees were $1,039.8 million, $1,058.7 million and $790.8 million, respectively, during 2004, 2003 and 2002.

Interest and investment income levels are primarily a function of securities markets, interest rates and the amount of cash available for investment. Interest and investment income in 2004 was $64.9 million compared with $56.7 million in 2003 and $72.3 million in 2002. Average invested assets in 2004 increased 14.8% to $3,226.2 million, from $2,811.5 million in 2003. The tax equivalent yield in 2004, excluding realized gains and losses, was 2.7% as compared with 2.5% in 2003 and 3.3% in 2002. Interest and investment income decreased $15.6 million, or 21.6% in 2003 to $56.7 million from $72.3 million in 2002.

Net realized gains and losses for 2004, 2003 and 2002 were $22.9 million, $101.8 million and $0.6 million, respectively. Net realized gains in 2003 includes a $51.7 million realized gain as a result of IAC InterActive Corp.'s acquisition of Lending Tree Inc. and the subsequent sale of our IAC Interactive Corp. common stock and a realized gain of $21.8 million on the sale of New Century Financial Corporation common stock.

Net realized gains in 2002 included a $0.1 million gain recognized on our investment in Santa Barbara Restaurant Group, Inc. ("SBRG") common stock as a result of the merger between SBRG and CKE Restaurants, Inc. ("CKE") and a $2.6 million loss on the sale of a portion of our CKE common stock in the second quarter of 2002. Net realized gains in 2002 were partially offset by other-than-temporary impairment losses of $5.1 million on CKE recorded during the fourth quarter of 2002 and $3.3 million recorded on MCI WorldCom bonds in the second quarter of 2002.

Other income represents revenue generated by other smaller real-estate related businesses that are not directly title-related. Other income was $43.5 million in 2004, $52.7 million in 2003 and $55.9 million in 2002.

Our operating expenses consist primarily of personnel costs and other operating expenses, which are incurred as orders are received and processed and agent commissions which are incurred as revenue is recognized. Title insurance premiums, escrow and other title-related fees are generally recognized as income at the time the underlying transaction closes. As a result, direct operations revenue lags approximately 45-60 days behind expenses and therefore gross margins may fluctuate. The changes in the market environment, mix of business between direct and agency operations and the contributions from our various business units have impacted margins and net earnings. We have implemented programs and have taken necessary actions to maintain expense levels consistent with revenue streams. However, a short time lag does exist in reducing variable costs and certain fixed costs are incurred regardless of revenue levels. We have taken significant measures to maintain appropriate personnel levels and costs relative to the volume and mix of business while maintaining customer service standards and quality controls. As such, with the decline in open orders on refinance transactions resulting from the increase in mortgage interest rates during the second half of 2003, we began reducing personnel costs with the reduction of approximately 22% of the title and escrow workforce from July to December of 2003 and maintained personnel at appropriate levels during 2004. We will continue to monitor prevailing market conditions and will adjust personnel costs in accordance with activity.

Personnel costs include base salaries, commissions, benefits and bonuses paid to employees, and are one of our most significant operating expenses. Personnel costs totaled $1,680.8 million, $1,692.9 million and $1,260.1 million for the years ended December 31, 2004, 2003 and 2002, respectively. Personnel costs, as a percentage of direct title insurance premiums and escrow and other title-related fees, were 55.2% in 2004, compared with 53.5% in 2003 and 53.7% 2002. The increase in personnel costs as a percentage of total revenue in 2004 is attributable to the lag in reducing personnel to the appropriate level based on activity. In addition, as a result of adopting SFAS No. 123 during 2003, included in personnel costs for 2004 and 2003 is approximately $5.4 million and $4.9 million in stock compensation expense, respectively.

Other operating expenses consist primarily of facilities expenses, title plant-related changes, premium taxes (which insurance underwriters are required to pay on title premiums in lieu of franchise and other state taxes), postage and courier services, computer services, professional services, advertising expenses, general insurance, and trade and notes receivable allowances. Other operating expenses totaled $849.6 million, $817.6 million and $633.2 million for the years ended December 31, 2004, 2003 and 2002, respectively. Other operating expenses increased as a percentage of direct title insurance premiums and escrow and other title-related fees to 27.9% in 2004 from 25.8% in 2003, which decreased from 27.0% in 2002. The increase in other operating expenses as a percentage of total direct title premiums and escrow and other fees in 2004 is consistent with the increase in personnel costs as a percentage of total direct title premiums and escrow and other fees.

Agent commissions represent the portion of premiums retained by agents pursuant to the terms of their respective agency contracts. Agent commissions and the resulting percentage of agent premiums we retain vary according to regional differences in real estate closing practices and state regulations.

The following table illustrates the relationship of agent title premiums and agent commissions:

	Year Ended December 31,					
	2004		2003		2002	
	Amount	%	Amount	%	Amount	%
	(In thousands)					
Agent title premiums	$ 2,714,770	100.0%	$ 2,595,433	100.0%	$ 1,989,958	100.0%
Agent commissions	2,117,122	78.0	2,035,810	78.4	1,567,112	78.8
Net margin	$ 597,648	22.0%	$ 559,623	21.6%	$ 422,846	21.2%

The provision for claim losses includes an estimate of anticipated title and title-related claims. The estimate of anticipated title and title-related claims is accrued as a percentage of title premium revenue based on our historical loss experience and other relevant factors. We monitor our claims loss experience on a continual basis and adjust the provision for claim losses accordingly.

A summary of the reserve for claim losses is as follows:

	Year Ended December 31, 2004	2003	2002
	(Dollars in thousands)		
Beginning balance	$ 932,439	$ 887,973	$ 881,053
Reserves assumed(1)	38,597	4,203	—
Claim loss provision related to:			
Current year	275,982	237,919	207,290
Prior years	(16,580)	10,915	(31,327)
Total claim loss provision	259,402	248,834	175,963
Claims paid, net of recoupments related to:			
Current year	(19,095)	(11,591)	(10,058)
Prior years	(230,597)	(196,980)	(158,985)
Total claims paid, net of recoupments	(249,692)	(208,571)	(169,043)
Ending balance	$ 980,746	$ 932,439	$ 887,973
Provision for claim losses as a percentage of title insurance premiums only	5.5%	5.3%	5.0%

(1) We assumed APTIC's outstanding reserve for claim losses in connection with its acquisition in 2004. We assumed ANFI's outstanding reserve for claim losses in connection with its acquisition in 2003.

The title loss provision in 2004 reflects a higher estimated loss for the 2004 policy year offset in part by a favorable adjustment from previous policy years. The unfavorable development during 2003 reflects higher than expected payment levels on previously issued policies.

Interest expense for the years ended December 31, 2004, 2003 and 2002 was $3.9 million, $4.6 million and $8.6 million, respectively.

Income tax expense as a percentage of earnings before income taxes for 2004, 2003 and 2002 was 36.6%, 37.3%, and 36.0%, respectively. The fluctuation in income tax expense as a percentage of earnings before income taxes is attributable to our estimate of ultimate income tax liability, and changes in the characteristics of net earnings year to year, such as underwriting income versus investment income. The increase in 2003 as compared with 2002 is primarily due to an increase in state income tax rates.

Selected Quarterly Financial Data

	Three Months Ended March 31,	June 30,	September 30,	December 31,
	(In thousands)			
2004				
Revenue	$ 1,314,932	$ 1,601,316	$ 1,558,382	$ 1,414,783
Earnings before income taxes and minority interest	171,740	266,272	219,478	225,437
Net earnings	108,958	168,288	138,645	142,274
2003				
Revenue	$ 1,219,346	$ 1,518,656	$ 1,713,943	$ 1,518,770
Earnings before income taxes and minority interest	198,943	317,259	341,591	234,125
Net earnings	124,338	198,201	213,739	147,046

Liquidity and Capital Resources

Cash Requirements

Our cash requirements include operating expenses, taxes, capital expenditures, business acquisitions and dividends on our common stock. We believe that all anticipated cash requirements for current operations will be met from internally generated funds, through cash dividends from subsidiaries, cash generated by investment securities and borrowings and existing credit facilities. Our short-term and long-term liquidity requirements are monitored regularly to ensure that we can meet our cash requirements. We forecast the daily needs of all of our subsidiaries and periodically review their short-term and long-term projected sources and uses of funds, as well as the asset, liability, investment and cash flow assumptions underlying these projections.

Our insurance subsidiaries generate cash from premiums earned and their respective investment portfolios and these funds are adequate to satisfy the payments of claims and other liabilities. Due to the magnitude of our investment portfolio in relation to our claim loss reserves, we do not specifically match durations of our investments to the cash outflows required to pay claims, but do manage outflows on a shorter time frame.

Our two significant sources of internally generated funds are dividends and other payments from our subsidiaries. As a holding company, we will receive cash from our subsidiaries in the form of dividends and as reimbursement for operating and other administrative expenses we incur. The reimbursements will be paid within the guidelines of management agreements to be entered among us and our subsidiaries. Our insurance subsidiaries are restricted by state regulation in their ability to pay dividends and make distributions. Each state of domicile regulates the extent to which our title underwriters can pay dividends or make other distributions to us. As of December 31, 2004, $1,731.3 million of our net assets were restricted from dividend payments without prior approval from the relevant departments of insurance. During the remainder of 2005, our first tier title subsidiaries can pay or make distributions to us of approximately $89.1 million without prior regulatory approval. Our underwritten title companies collect revenue and pay operating expenses. However, they are not regulated to the same extent as our insurance subsidiaries.

In July 2005 one of our insurance subsidiaries paid a cash dividend to FNF in the amount of $145 million. In August 2005 one of our subsidiaries paid a dividend to FNF in the form of a promissory note having a principal amount of $150 million.

Capital Expenditures

Our capital expenditures relate primarily to fixed assets and were $70.6 million, $80.4 million and $64.1 million in 2004, 2003 and 2002, respectively. We do not expect future capital expenditures to increase significantly.

Financing

Prior to the distribution we intend to issue two $250 million intercompany notes payable to FNF, with terms that mirror FNF's existing $250 million 7.30% public debentures due in August 2011 and $250 million 5.25% public debentures due in March 2013. Proceeds from the issuance of the 2011 public debentures were used by FNF to repay debt incurred in connection with the acquisition of our subsidiary, Chicago Title, and the proceeds from the 2013 public debentures were used for general corporate purposes. Following issuance of the intercompany notes, we may make an exchange offer in which we would offer to exchange the outstanding FNF notes for notes we would issue having substantially the same terms and deliver the FNF notes received to FNF to reduce the debt under the intercompany notes. We also plan to enter into a credit agreement in the amount of between $200 million and $300 million. We currently anticipate that prior to the distribution we would borrow $150 million under this facility and pay it to FNF in satisfaction of a $150 million intercompany note issued by one of our subsidiaries to FNF in August 2005. Our capital structure is subject to conditions at the time of the distribution and finalizing our discussions with rating agencies and may be modified prior to the distribution.

Contractual Obligations

Our long-term contractual obligations generally include our long-term debt and operating lease payments on certain of our property and equipment. As of December 31, 2004, our required payments relating to our long-term contractual obligations are as follows:

	2005	2006	2007	2008	2009	Thereafter	Total
				(In thousands)			
Notes payable	$ 22,390	$ —	$ —	$ —	$ —	$ —	$ 22,390
Operating lease payments	109,380	94,805	75,338	51,216	28,933	19,699	379,371
Reserve for claim losses	181,617	147,037	115,761	86,806	63,108	386,417	980,746
Pension and postretirement obligations	12,309	12,287	12,575	12,811	12,777	108,936	171,695
Total	$ 325,696	$ 254,129	$ 203,674	$ 150,833	$ 104,818	$ 515,052	$ 1,554,202

As of December 31, 2004 we had reserves for claim losses of $980.7 million. The amounts and timing of these obligations are estimated and are not set contractually. Nonetheless, based on historical title insurance claim experience, we anticipate the above payment patterns. While we believe that historical loss payments are a reasonable source for projecting future claim payments, there is significant inherent uncertainty in this payment pattern estimate because of the potential impact of changes in:

- future mortgage interest rates, which will affect the number of real estate and refinancing transactions and, therefore, the rate at which title insurance claims will emerge;
- the legal environment whereby court decisions and reinterpretations of title insurance policy language to broaden coverage could increase total obligations and influence claim payout patterns;
- events such as fraud, defalcation, and multiple property title defects, that can substantially and unexpectedly cause increases in both the amount and timing of estimated title insurance loss payments;
- loss cost trends whereby increases or decreases in inflationary factors (including the value of real estate) will influence the ultimate amount of title insurance loss payments; and
- claims staffing levels whereby claims may be settled at a different rate based on the future staffing levels of the claims department.

Off-Balance Sheet Arrangements

In conducting our operations, we routinely hold customers' assets in escrow, pending completion of real estate transactions. Certain of these amounts are maintained in segregated bank accounts and have not been included in the Combined Balance Sheets. As a result of holding these customers' assets in escrow, we have ongoing programs for realizing economic benefits during the year through favorable borrowing and vendor arrangements with various banks. There were no investments or loans outstanding as of December 31, 2004 related to these arrangements.

Recent Accounting Pronouncements

In December 2004, the FASB issued FASB Statement No. 123R ("SFAS No. 123R"), "Share-Based Payment," which requires that compensation cost relating to share-based payments be recognized in FNT's financial statements. During 2003, we adopted the fair value recognition provision of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123"), for stock-based employee compensation, effective as of the beginning of 2003. We had elected to use the prospective method of transition, as permitted by Statement of Financial Accounting Standards No. 148, "Accounting for Stock-Based Compensation — Transition and Disclosure" ("SFAS No. 148"). Under this method, stock-based employee compensation cost is recognized from the beginning of 2003 as if the fair value method of accounting had been used to account for all employee awards granted, modified, or settled in years beginning after

December 31, 2002. SFAS No. 123R does not allow for the prospective method, but requires the recording of expense relating to the vesting of all unvested options beginning in the first quarter of 2006. Since we adopted SFAS No. 123 in 2003, the impact of recording additional expense in 2006 under SFAS No. 123R relating to options granted prior to January 1, 2003 is not significant.

Market Risks

Market risk refers to the risk that a change in the level of one or more market factors, such as interest rates or equity prices, will result in losses for financial instruments that we hold or arrangements to which we are a party.

Interest Rate Risk

Our fixed maturity investments and borrowings are subject to interest rate risk. Increases and decreases in prevailing interest rates generally translate into decreases and increases in fair values of those instruments. Additionally, fair values of interest rate sensitive instruments may be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments, the liquidity of the instrument and other general market conditions.

Equity Price Risk

The carrying values of investments subject to equity price risks are based on quoted market prices as of the balance sheet date. Market prices are subject to fluctuation and, consequently, the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amounts realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

Caution should be used in evaluating our overall market risk from the information below, since actual results could differ materially because the information was developed using estimates and assumptions as described below, and because our reserve for claim losses (representing 41.1% of total liabilities) is not included in the hypothetical effects.

The hypothetical effects of changes in market rates or prices on the fair values of financial instruments would have been as follows as of or for the year ended December 31, 2004:

- An approximate $58.1 million net increase (decrease) in the fair value of fixed maturity securities would have occurred if interest rates were 100 basis points (lower) higher as of December 31, 2004. The change in fair values was determined by estimating the present value of future cash flows using various models, primarily duration modeling.

- An approximate $23.0 million net increase (decrease) in the fair value of equity securities would have occurred if there was a 20% price increase (decrease) in market prices.

- It is not anticipated that there would be a significant change in the fair value of other long-term investments or short-term investments if there was a change in market conditions, based on the nature and duration of the financial instruments involved.

INDUSTRY BACKGROUND

Title Insurance Policies

Generally, real estate buyers and mortgage lenders purchase title insurance to insure good and marketable title to real estate. A brief generalized description of the process of issuing a title insurance policy is as follows:

- The customer, typically a real estate salesperson or broker, escrow agent, attorney or lender, places an order for a title policy.

- Company personnel note the specifics of the title policy order and place a request with the title company or its agents for a preliminary report or commitment.
- After the relevant historical data on the property is compiled, the title officer prepares a preliminary report that documents the current status of title to the property, any exclusions, exceptions and/or limitations that the title company might include in the policy, and specific issues that need to be addressed and resolved by the parties to the transaction before the title policy will be issued.
- The preliminary report is circulated to all the parties for satisfaction of any specific issues.
- After the specific issues identified in the preliminary report are satisfied, an escrow agent closes the transaction in accordance with the instructions of the parties and the title company's conditions.
- Once the transaction is closed and all monies have been released, the title company issues a title insurance policy.

In a real estate transaction financed with a mortgage, virtually all real property mortgage lenders require their borrowers to obtain a title insurance policy at the time a mortgage loan is made. This lender's policy insures the lender against any defect affecting the priority of the mortgage in an amount equal to the outstanding balance of the related mortgage loan. An owner's policy is typically also issued, insuring the buyer against defects in title in an amount equal to the purchase price. On a refinancing transaction, only a lender's policy is generally purchased because ownership of the property has not changed. In the case of an all-cash real estate purchase, no lender's policy is issued but typically an owner's title policy is issued.

Title insurance premiums paid in connection with a title insurance policy are based on (and typically a percentage of) either the amount of the mortgage loan or the purchase price of the property insured. Title insurance premiums are due in full at the closing of the real estate transaction. The lender's policy generally terminates upon the refinancing or resale of the property.

The amount of the insured risk or "face amount" of insurance under a title insurance policy is generally equal to either the amount of the loan secured by the property or the purchase price of the property (subject to adjustment if the policy includes inflation adjustment provisions). The title insurer is also responsible for the cost of defending the insured title against covered claims. The insurer's actual exposure at any given time, however, generally is less than the total face amount of policies outstanding because the coverage of a lender's policy is reduced and eventually terminated as a result of payment of the mortgage loan. Because of these factors, the total liability of a title underwriter on outstanding policies cannot be precisely determined.

Title insurance companies typically issue title insurance policies directly through branch offices or through title agencies which are subsidiaries of the title insurance company, and indirectly through independent third party agencies unaffiliated with the title insurance company. Where the policy is issued through a branch or wholly-owned subsidiary agency operation, the title company typically performs or directs the search, and the premiums collected are retained by the title company. Where the policy is issued through an independent agent, the agent generally performs the search (in some areas searches are performed by approved attorneys), examines the title, collects the premium and retains a majority of the premium. The remainder of the premium is remitted to the title company as compensation, part of which is for bearing the risk of loss in the event a claim is made under the policy. The percentage of the premium retained by an agent varies from region to region and is sometimes regulated by the states. The title company is obligated to pay title claims in accordance with the terms of its policies, regardless of whether the title company issues policies through its direct operations or through independent agents.

Prior to issuing policies, title insurers and their agents attempt to reduce the risk of future claim losses by accurately performing searches and examinations. A title company's predominant expense relates to such searches and examinations, the preparation of preliminary title reports, policies or commitments and the maintenance of title "plants," which are indexed compilations of public records, maps and other relevant historical documents. Claim losses generally result from errors made in the title search and examination process and from hidden defects such as fraud, forgery, incapacity, or missing heirs of the property.

Residential real estate business results from the construction, sale, resale and refinancing of residential properties, while commercial real estate business results from similar activities with respect to properties with a business or commercial use. Commercial real estate title insurance policies insure title to commercial real property, and generally involve higher coverage amounts and yield higher premiums. The volume of residential real estate transaction volume is primarily affected by macroeconomic and seasonal factors while commercial real estate transactions are affected primarily by fluctuations in local supply and demand conditions for commercial space.

Product Market

The title insurance market in the United States is large and has grown in the last 10 years. According to Demotech, total operating income for the entire U.S. title insurance industry grew from $4.8 billion in 1995 to $15.5 billion in 2004. Growth in the industry is closely tied to various macroeconomic factors, including, but not limited to, growth in the gross national product, inflation, interest rates and sales of and prices for new and existing homes, as well as the refinancing of previously issued mortgages.

Most real estate transactions consummated in the U.S. require the use of title insurance by a lending institution before a transaction can be completed. Generally, revenues from title insurance policies are directly correlated with the value of the property underlying the title policy, and appreciation in the overall value of the real estate market helps drive growth in total industry revenues. Industry revenues are also driven by changes in interest rates, which affect demand for new mortgage loans and refinancing transactions.

The U.S. title insurance industry is concentrated among a handful of industry participants. According to Demotech, the top five title insurance companies accounted for 90.2% of net premiums collected in 2004. Over 40 independent title insurance companies accounted for the remaining 9.8% of net premiums collected in 2004. Over the years, the title insurance industry has been consolidating, beginning with the merger of Lawyers Title Insurance and Commonwealth Land Title Insurance in 1998 to create LandAmerica Financial Group, Inc., followed by FNF's acquisition of Chicago Title in March 2000. Consolidation has created opportunities for increased financial and operating efficiencies for the industry's largest participants and should continue to drive profitability and market share in the industry.

Trends and Opportunities

Title insurance companies today face significant challenges resulting from consolidation among traditional title companies and new entrants, technological innovation and evolving customer preferences and behavior. As a result of these challenges, we believe that the title insurance industry is experiencing or will be subject to the following significant trends:

- Title insurance companies remain subject to consolidation within the industry. This creates the potential for an increased customer base and continued economies of scale.
- In order to achieve lower costs, title insurance companies may increasingly outsource search and examination functions of the title process.
- If mortgage interest rates begin to rise, the volume and average value of real estate related transactions may decline and affect revenue.

BUSINESS

Company Overview

We are the largest title insurance company in the United States. Our title insurance underwriters — Fidelity National Title, Chicago Title, Ticor Title, Security Union Title and Alamo Title — together issued approximately 30.5% of all title insurance policies issued nationally during 2004, as measured by premiums. Our title business consists of providing title insurance and escrow and other title-related products and services arising from the real estate closing process. Our operations are conducted on a direct basis through our own employees who act as title and escrow agents and through independent agents. In addition to our independent agents, our customers are lenders, mortgage brokers, attorneys, real estate agents, home builders and commercial real estate developers. We do not focus our marketing efforts on the homeowner.

History

The predecessors to FNT have primarily been title insurance companies, some of which have been in operation since the late 1800s. Many of these title insurance companies have been acquired in the last two decades. In 1984, FNF acquired a controlling interest in Fidelity National Title Insurance Company. During the 1990s, FNF acquired Alamo Title, Nations Title Inc., Western Title Company of Washington and First Title Corp. In 2000, FNF completed the acquisition of Chicago Title Corp., creating the largest title insurance organization in the world, and in 2004, FNF acquired American Pioneer Title Insurance Company, which now operates under our Ticor Title brand. Chicago Title had previously acquired Security Union Title in 1987 and Ticor Title Insurance Company in 1991. Our businesses have historically been operated as wholly-owned subsidiaries of FNF.

Competitive Strengths

We believe that our competitive strengths include the following:

Leading title insurance company. We are the largest title insurance company in the United States and a leading provider of title insurance and escrow services for real estate transactions. We currently have the leading market share for title insurance in California, New York, Texas and Florida, which are the four largest markets for title insurance in the United States, which account for approximately 48% of all title insurance business in the United States. We have approximately 1,500 locations throughout the United States providing our title insurance services.

Established relationships with our customers. We have strong relationships with the customers who use our title services. Our agent distribution network, which includes over 9,500 agents, is among the largest in the United States. We also benefit from strong brand recognition in our five FNT title brands that allows us to access a broader client base than if we operated under a single consolidated brand and provides our customers with a choice among FNT brands.

Strong value proposition for our customers. We provide our customers with title insurance and escrow and other closing services that support their ability to effectively close real estate transactions. We help make the real estate closing more efficient for our customers by offering a single point of access to a broad platform of title-related products and resources necessary to close real estate transactions.

Proven management team. The managers of our operating businesses have successfully built our title business over an extended period of time, resulting in our business attaining the size, scope and presence in the industry that it has today. Our managers have demonstrated their leadership ability during numerous acquisitions through which we have grown and throughout a number of business cycles and significant periods of industry change.

Competitive cost structure. We have been able to maintain operating margins that we believe are among the best in the industry. We have achieved our strong operating margins in part by monitoring our businesses in a disciplined manner through continual evaluation and management of our cost structure.

When compared to other industry competitors, we also believe that our management structure has fewer layers of managers which allows us to operate with lower overhead costs.

Commercial title insurance. While residential title insurance comprises the majority of our business, we believe we are the largest provider of commercial real estate title insurance in the United States. Our network of agents, attorneys, underwriters and closers that service the commercial real estate markets is one of the largest in the industry. Our commercial network combined with our financial strength makes our title insurance operations attractive to large national lenders who require the underwriting and issuing of larger commercial title policies.

Corporate principles. A cornerstone of our management philosophy and operating success is the five fundamental precepts upon which FNF was founded:

- Bias for action
- Autonomy and entrepreneurship
- Employee ownership
- Minimal bureaucracy
- Close customer relationships

These five precepts are emphasized to our employees from the first day of employment and are integral to many of our strategies described below.

Strategy

Our strategy in the title insurance business is to maximize operating profits by increasing our market share and managing operating expenses throughout the real estate business cycle. To accomplish our goals, we intend to:

Continue to operate each of our five title brands independently. We believe that in order to maintain and strengthen our title insurance customer base, we must leave the Fidelity National Title, Chicago Title, Ticor Title, Security Union Title and Alamo Title brands intact and operate these brands independently. In most of our largest markets, we operate two, and in a few cases, three brands. This approach allows us to continue to attract customers who identify with one brand over another and allows us to utilize a broader base of local agents and local operations than we would have with a single consolidated brand.

Consistently deliver superior customer service. We believe customer service and consistent product delivery are the most important factors in attracting and retaining customers. Our ability to provide superior customer service and provide consistent product delivery requires continued focus on providing high quality service and products at competitive prices. Our goal is to continue to improve the experience of our customers in all aspects of our business.

Manage our operations successfully through business cycles. We operate in a cyclical business and our ability to diversify our revenue base within our core title insurance business and manage the duration of our investments may allow us to better operate in this cyclical business. Maintaining a broad geographic revenue base, utilizing both direct and independent agency operations and pursuing both residential and commercial title insurance business help diversify our title insurance revenues. Maintaining shorter durations on our investment portfolio allows us to increase our investment revenue in a rising interest rate environment, which may offset some of the decline in premiums and service revenues we would expect in such an environment. For a more detailed discussion of our investment strategies, see "— Investment Policies and Investment Portfolio."

Continue to improve our products and technology. As a national provider of real estate transaction products and services, we participate in an industry that is subject to significant change, frequent new product and service introductions and evolving industry standards. We believe that our future success will depend in part on our ability to anticipate industry changes and offer products and services that meet evolving industry standards. In connection with our service offerings, we are currently upgrading our operating system to improve the process of ordering title services and improve the delivery of our products to our customers.

Maintain values supporting our strategy. We believe that continuing to focus on and support our long-established corporate culture will reinforce and support our business strategy. Our goal is to foster and support a corporate culture where our agents and employees seek to operate independently and profitably at the local level while forming close customer relationships by meeting customer needs and improving customer service. Utilizing a relatively flat managerial structure and providing our employees with a sense of individual ownership supports this goal.

Effectively manage costs based on economic factors. We believe that our focus on our operating margins is essential to our continued success in the title insurance business. Regardless of the business cycle in which we may be operating, we seek to continue to evaluate and manage our cost structure and make appropriate adjustments where economic conditions dictate. This continual focus on our cost structure helps us to better maintain our operating margins.

Title Insurance

We provide title insurance services through our direct operations and through independent title insurance agents who issue title policies on behalf of our title insurance companies. Our title insurance companies determine the terms and conditions upon which they will insure title to the real property according to their underwriting standards, policies and procedures.

Direct Operations. In our direct operations, the title insurer issues the title insurance policy and retains the entire premium paid in connection with the transaction. Our direct operations provide the following benefits:

- higher margins because we retain the entire premium from each transaction instead of paying a commission to an independent agent;
- continuity of service levels to a broad range of customers; and
- additional sources of income through escrow and closing services.

We have approximately 1,500 offices throughout the U.S. primarily providing residential real estate title insurance. Our commercial real estate title insurance business is operated almost exclusively through our direct operations. We maintain direct operations for our commercial title insurance business in all the major real estate markets including New York, Los Angeles, Chicago, Atlanta, Dallas, Philadelphia, Phoenix, Seattle and Houston.

Agency Operations. In our agency operations, the search and examination function is performed by an independent agent or the agent may purchase the search and examination from us. In either case, the agent is responsible to ensure that the search and examination is completed. The agent thus retains the majority of the title premium collected, with the balance remitted to the title underwriter for bearing the risk of loss in the event that a claim is made under the title insurance policy. Independent agents may select among several title underwriters based upon their relationship with the underwriter, the amount of the premium “split” offered by the underwriter, the overall terms and conditions of the agency agreement and the scope of services offered to the agent. Premium splits vary by geographic region. Our relationship with each agent is governed by an agency agreement defining how the agent issues a title insurance policy on our behalf. The agency agreement also sets forth the agent’s liability to us for policy losses attributable to the agent’s errors. An agency agreement is usually terminable without cause upon 30 days’ notice or immediately for cause. In determining whether to engage or retain an independent agent, we consider the agent’s experience, financial condition and loss history. For each agent with whom we enter into an agency agreement we maintain financial and loss experience records. We also conduct periodic audits of our agents.

Fees and Premiums. One means of analyzing our business is by examining the level of premiums generated by direct and agency operations. The following table presents the percentages of our title insurance premiums generated by direct and agency operations:

	Six Months Ended June 30,				Year Ended December 31,					
	2005		2004		2004		2003		2002	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(In thousands)				(In thousands)					
Direct	$ 1,017,396	43.8%	$ 987,019	42.3%	$ 2,003,447	42.5%	$ 2,105,317	44.8%	$ 1,557,769	43.9%
Agency	1,304,200	56.2%	1,348,430	57.7%	2,714,770	57.5%	2,595,433	55.2%	1,989,958	56.1%
Total title insurance premiums	$ 2,321,596	100.0%	$ 2,335,449	100.0%	$ 4,718,217	100.0%	$ 4,700,750	100.0%	$ 3,547,727	100.0%

The premium for title insurance is due in full when the real estate transaction is closed. We recognize title insurance premium revenues from direct operations upon the closing of the transaction, whereas premium revenues from agency operations include an accrual based on estimates of the volume of transactions that have closed in a particular period for which premiums have not yet been reported to us. The accrual for agency premiums is necessary because of the lag between the closing of these transactions and the reporting of these policies to us by the agent and is based on estimates utilizing historical information.

Geographic Operations. Our direct operations are divided into approximately 228 profit centers consisting of more than 1,500 direct offices. Each profit center processes title insurance transactions within its geographical area, which is usually identified by a county, a group of counties forming a region, or a state, depending on the management structure in that part of the country. We also transact title insurance business through a network of over 9,500 agents, primarily in those areas in which agents are the more prevalent title insurance provider.

The following table sets forth the approximate dollar and percentage volumes of our title insurance premium revenue by state.

	Year Ended December 31,					
	2004		2003		2002	
	Amount	%	Amount	%	Amount	%
	(In thousands)					
California	$ 1,055,296	22.4%	$ 1,183,643	25.2%	$ 895,698	25.2%
Texas	514,417	10.9%	527,583	11.2%	429,740	12.1%
Florida	483,860	10.3%	310,545	6.6%	215,367	6.1%
New York	400,827	8.5%	378,341	8.0%	295,636	8.3%
Illinois	202,277	4.3%	222,534	4.7%	173,651	4.9%
All others	2,061,540	43.6%	2,078,104	44.3%	1,537,635	43.4%
Totals	$ 4,718,217	100.0%	$ 4,700,750	100.0%	$ 3,547,727	100.0%

The following table sets forth the approximate dollar and percentage volumes of title insurance premium for the industry for 2004 by state according to Demotech.

	Year Ended December 31, 2004	
	Amount	%
	(In thousands)	
California	$ 3,068,170	19.8%
Florida	1,804,513	11.6%
Texas	1,491,295	9.6%
New York	1,146,752	7.4%
Pennsylvania	592,232	3.8%
All others	7,431,878	47.8%
Totals	$ 15,534,840	100.0%

Escrow and Other Title-Related Services

In addition to fees for underwriting title insurance policies, we derive a significant amount of our revenues from escrow and other title-related services, including closing services. The escrow and other services provided by us include all of those typically required in connection with residential and commercial real estate purchase and refinance activities. Escrow and other title-related fees represented approximately 18.4% of our revenues in the first six-months of 2005 and 17.7% and 17.7% of our revenues for 2004 and 2003, respectively. Escrow and other title-related fees are primarily generated by our direct title operations and increases or decreases in the amount of revenue we receive from these services are closely related to increases or decreases in revenues from our direct title operations.

Sales and Marketing

We market and distribute our title and escrow products and services to customers in the residential and commercial market sectors of the real estate industry through customer solicitation by sales personnel. Although in many instances the individual homeowner is the beneficiary of a title insurance policy, we do not focus our marketing efforts on the homeowner. We actively encourage our sales personnel to develop new business relationships with persons in the real estate community, such as real estate sales agents and brokers, financial institutions, independent escrow companies and title agents, real estate developers, mortgage brokers and attorneys who order title insurance policies for their clients. While our smaller, local clients remain important, large customers, such as national residential mortgage lenders, real estate investment trusts and developers have become an increasingly important part of our business. The buying criteria of locally based clients differ from those of large, geographically diverse customers in that the former tend to emphasize personal relationships and ease of transaction execution, while the latter generally place more emphasis on consistent product delivery across diverse geographical regions and ability of service providers to meet their information systems requirements for electronic product delivery.

Reinsurance and Coinsurance

In a limited number of situations we limit our maximum loss exposure by reinsuring certain risks with other title insurers under agent fidelity, excess of loss and case-by-case reinsurance agreements. We also earn a small amount of additional income, which is reflected in our direct premiums, by assuming reinsurance for certain risks of other title insurers. Reinsurance agreements provide generally that the reinsurer is liable for loss and loss adjustment expense payments exceeding the amount retained by the ceding company. However, the ceding company remains primarily liable in the event the reinsurer does not meet its contractual obligations.

We also use coinsurance in our commercial title business to provide coverage in amounts greater than we would be willing or able to provide individually. In coinsurance transactions, each individual underwriting company issues a separate policy and assumes a portion of the overall total risk. As a coinsurer we are only liable for the portion of the risk we assumed.

Losses and Reserves

While most other forms of insurance provide for the assumption of risk of loss arising out of unforeseen events, title insurance serves to protect the policyholder from risk of loss from events that predate the issuance of the policy. As a result, claim losses associated with issuing title policies are less expensive when compared to other insurance underwriters. The maximum amount of liability under a title insurance policy is generally the face amount of the policy plus the cost of defending the insured's title against an adverse claim.

Reserves for claim losses are established based upon known claims, as well as losses incurred but not yet reported to us based upon historical experience and other factors, including industry trends, claim loss history, legal environment, geographic considerations, expected recoupments and the types of policies written. We also reserve for losses arising from escrow, closing and disbursement functions due to fraud or operational error.

Although most claims against title insurance policies are reported relatively soon after the policy has been issued, claims may be reported many years later. By their nature, claims are often complex, vary greatly in dollar amounts and are affected by economic and market conditions and the legal environment existing at the time of settlement of the claims. Estimating future title loss payments is difficult because of the complex nature of title claims, the long periods of time over which claims are paid, significantly varying dollar amounts of individual claims and other factors.

A title insurance company can minimize its losses by having strict quality control systems and underwriting standards in place. These controls increase the likelihood that the appropriate level of diligence is conducted in completing a title search so that the possibility of potential claims is significantly mitigated. In the case of independent agents who conduct their own title searches, the agency agreement between the agent and the title insurance underwriter gives the underwriter the ability to proceed against the agent when a loss arises from a flawed title search. We take an aggressive stance in pursuing claims against independent agents for losses that arise from fraud, misrepresentation, deceptive trade practices or other wrongful acts commonly referred to as "bad faith."

Courts and juries sometimes award damages against insurance companies, including title insurance companies, in excess of policy limits. Such awards are typically based on allegations of fraud, misrepresentation, deceptive trade practices or other wrongful acts. The possibility of such bad faith damage awards may cause us to experience increased costs and difficulty in settling title claims.

The maximum insurable amount under any single title insurance policy is determined by statutorily calculated net worth. The highest self-imposed single policy maximum insurable amount for any of our title insurance subsidiaries is $375.0 million.

Investment Policies and Investment Portfolio

Our investment policy is designed to maintain a high quality portfolio, maximize income and minimize interest rate risk. We also make investments in certain equity securities in order to take advantage of perceived value and for strategic purposes. Various states regulate what types of assets qualify for purposes of capital and surplus and statutory unearned premium reserves. We manage our investment portfolio and do not utilize third party investment managers.

As of December 31, 2004 and 2003, the carrying amount, which approximates the fair value, of total investments was $2,174.8 million and $1,615.7 million, respectively.

We purchase investment grade fixed maturity securities, selected non-investment grade fixed maturity securities and equity securities. The securities in our portfolio are subject to economic conditions and normal market risks and uncertainties.

The following table presents certain information regarding the investment ratings of our fixed maturity portfolio at December 31, 2004 and 2003.

	Year Ended December 31,							
	2004				2003			
Rating (1)	Amortized Cost	% of Total	Fair Value	% of Total	Amortized Cost	% of Total	Fair Value	% of Total
	(In thousands)							
AAA	$ 1,373,836	63.3%	$ 1,376,727	63.3%	$ 1,023,385	64.5%	$ 1,041,271	64.4%
AA	329,417	15.2	332,761	15.3	262,152	16.5	270,912	16.8
A	280,004	12.9	277,556	12.8	201,408	12.7	202,429	12.5
BBB	60,067	2.7	59,252	2.7	45,981	2.9	45,943	2.8
Other	128,362	5.9	128,521	5.9	53,640	3.4	55,149	3.5
	$ 2,171,686	100.0%	$ 2,174,817	100.0%	$ 1,586,566	100.0%	$ 1,615,704	100.0%

(1) Ratings as assigned by S&P's Ratings Group and Moody's.

The following table presents certain information regarding contractual maturities of our fixed maturity securities at December 31, 2004:

	December 31, 2004			
Maturity	Amortized Cost	% of Total	Fair Value	% of Total
	(In thousands)			
One year or less	$ 342,855	15.8%	$ 343,171	15.8%
After one year through five years	1,083,385	49.9	1,084,365	49.9
After five years through ten years	405,776	18.7	407,356	18.7
After ten years	256,359	11.8	256,429	11.8
Mortgage-backed securities	83,311	3.8	83,496	3.8
	$ 2,171,686	100.0%	$ 2,174,817	100.0%
Subject to call	$ 261,289	12.0%	$ 263,741	12.1%

Expected maturities may differ from contractual maturities because certain borrowers have the right to call or prepay obligations with or without call or prepayment penalties. Fixed maturity securities with an amortized cost of $261.3 million and a fair value of $263.7 million were callable at December 31, 2004.

Our equity securities at December 31, 2004 and 2003 consisted of investments in various industry groups as follows:

	Year Ended December 31,			
	2004		2003	
	Cost	Fair Value	Cost	Fair Value
	(In thousands)			
Banks, trust and insurance companies	$ 1	$ 5	$ 1	$ 5
Industrial, miscellaneous and all other	108,573	115,065	54,400	65,402
	$ 108,574	$ 115,070	$ 54,401	$ 65,407

	Year Ended December 31,		
	2004	2003	2002
	(In thousands)		
Net investment income(1)	$ 86,120	$ 70,940	$ 85,405
Average invested assets	3,226,243	2,811,408	2,576,321
Effective return on average invested assets	2.7%	2.5%	3.3%

(1) Net investment income as reported in our Combined Statements of Earnings has been adjusted in the presentation above to provide the tax equivalent yield on tax exempt investments.

Other long-term investments as of December 31, 2004 amounted to $21.2 million and consisted primarily of equity investments.

Short-term investments, which consist primarily of securities purchased under agreements to resell, commercial paper and money market instruments, which have an original maturity of one year or less, are carried at amortized cost, which approximates fair value. As of December 31, 2004 short-term investments amounted to $508.4 million.

Technology

To meet the changing business and technology needs of our customers, we continually invest in our applications and services. This investment includes maintenance and enhancement of existing software applications, the development of new and innovative software applications and the ongoing enhancement of capabilities surrounding our outsourcing infrastructure.

Competition

The title insurance industry is highly competitive. According to Demotech, the top five title insurance companies accounted for 90.2% of net premiums collected in 2004. Over 40 independent title insurance companies accounted for the remaining 9.8% of the market. The number and size of competing companies varies in the different geographic areas in which we conduct our business. In our principal markets, competitors include other major title underwriters such as The First American Corporation, LandAmerica Financial Group, Inc., Old Republic International Corporation and Stewart Information Services Corporation, as well as numerous smaller title insurance companies and independent agency operations at the regional and local level. These smaller companies may expand into other markets in which we compete. Also, the removal of regulatory barriers might result in new competitors entering the title insurance business, and those new competitors may include diversified financial services companies that have greater financial resources than we do and possess other competitive advantages. Competition among the major title insurance companies, expansion by smaller regional companies and any new entrants with alternative products could affect our business operations and financial condition.

Competition in the title insurance industry is based primarily on expertise, service and price. In addition, the financial strength of the insurer has become an increasingly important factor in decisions relating to the purchase of title insurance, particularly in multi-state transactions and in situations involving real estate-related investment vehicles such as real estate investment trusts and real estate mortgage investment conduits.

The title insurance industry has also experienced periods of consolidation. We expect that, from time to time, we may evaluate opportunities for the acquisition of books of business or of title insurance companies or other complementary businesses as a going concern, for business combinations with other concerns and for the provision of insurance related advisory services to third parties. There can be no assurance, however, that any suitable business opportunity will arise.

Table of Contents

Employees

As of May 31, 2005, we had approximately 18,900 employees. We believe our employee relations are satisfactory. None of our employees are subject to collective bargaining agreements.

Infrastructure and Facilities

The majority of our offices are leased from third parties. We own the remaining offices. As of December 31, 2004, we leased office space as follows:

	Number of Locations
California	529
Arizona	147
Texas	136
Illinois	100
Florida	98
Oregon and Washington	73
Michigan	39
Nevada	35
New York and Ohio	33
Indiana	31
North Carolina	29
Colorado	20
New Jersey	18
Pennsylvania	15
Kansas	13
Hawaii, Missouri, and Tennessee	12
Wisconsin	11
Minnesota	10
Virginia	9
Connecticut	8
Massachusetts	6
Canada, District of Columbia, Maine, New Hampshire, and Oklahoma	7
Georgia, Louisiana, Maryland, Montana, and South Carolina	5
Alabama and New Mexico	4
Delaware, Idaho, Kentucky, Mississippi, Rhode Island and Utah	1

We believe our properties are adequate for our business as presently conducted.

Legal Proceedings

In the ordinary course of business, we are involved in various pending and threatened litigation matters related to our operations, some of which include claims for punitive or exemplary damages. We believe that no actions, other than those listed below, depart from customary litigation incidental to our business. As background to the disclosure below, please note the following:

- These matters raise difficult and complicated factual and legal issues and are subject to many uncertainties and complexities, including but not limited to the underlying facts of each matter, novel legal issues, variations between jurisdictions in which matters are being litigated, differences in applicable laws and judicial interpretations, the length of time before many of these matters might be resolved by settlement or through litigation and, in some cases, the timing of their resolutions relative to other similar cases brought against other companies, the fact that many of these matters are putative class actions in which a class has not been certified and in which the purported class may not be clearly defined, the fact that many of these matters involve multi-state class actions in which the applicable law for the claims at issue is in dispute and therefore unclear, and the current challenging legal environment faced by large corporations and insurance companies.

- In these matters, plaintiffs seek a variety of remedies including equitable relief in the form of injunctive and other remedies and monetary relief in the form of contractual and extra-contractual damages. In some cases, the monetary damages sought include punitive or treble damages or are not specified. Often more specific information beyond the type of relief sought is not available because plaintiffs have not requested more specific relief in their court pleadings. In those cases where plaintiffs have made a specific demand for monetary damages, they often specify damages just below a jurisdictional limit regardless of the facts of the case. This represents the maximum they can seek without risking removal from state court to federal court. In our experience, monetary demands in plaintiffs' court pleadings bear little relation to the ultimate loss, if any, we may experience.

- For the reasons specified above, it is not possible to make meaningful estimates of the amount or range of loss that could result from these matters at this time. We review these matters on an on-going basis and follow the provisions of SFAS No. 5, "Accounting for Contingencies" when making accrual and disclosure decisions. When assessing reasonably possible and probable outcomes, we base our decision on our assessment of the ultimate outcome following all appeals.

- In the opinion of our management, while some of these matters may be material to our operating results for any particular period if an unfavorable outcome results, none will have a material adverse effect on our overall financial condition.

Several class actions are pending alleging improper premiums were charged for title insurance in Ohio (Dubin v. Security Union Title Insurance Company, filed on March 12, 2003, in the Court of Common Pleas, Cuyahoga County, Ohio and Markowitz v. Chicago Title Insurance Company, filed on February 4, 2004 in the Court of Common Pleas, Cuyahoga County, Ohio), Pennsylvania (Patterson v. Fidelity National Title Insurance Company of New York, filed on October 27, 2003 in the Court of Common Pleas of Allegheny County, Pennsylvania) and Florida (Thula v. American Pioneer, filed on September 24, 2004 in the Circuit Court of Seventeenth Judicial Circuit, Broward County; Figueroa v. Fidelity, filed on April 20, 2004 in the Circuit Court of 11th Judicial Circuit, Dade County; Grosso v. Fidelity National Title Insurance Company of New York, filed on August 31, 2004 in the Circuit Court of the Seventeenth Judicial Circuit, Broward County; Chereskin v. Fidelity National Title Insurance Company of New York, filed on September 21, 2004 in the Circuit Court, Fourth Judicial Circuit, Nassau County; and Turner v. Chicago Title Insurance Company, filed September 20, 2004 in the Circuit Court, Fourth Judicial District, in and for Nassau County, Florida). The cases allege that the named defendant companies failed to provide notice of premium discounts to consumers refinancing their mortgages, and failed to give discounts in refinancing transactions in violation of the filed rates. The actions seek refunds of the premiums charged and punitive damages. Recently, the court's order denying class certification in one of the Ohio actions was reversed and the case was remanded to the trial court for further proceedings. We intend to vigorously defend these actions.

A class action in California (Lane v. Chicago Title Insurance Company, filed on November 4, 1999 in the Superior Court of the State of California, County of San Francisco) alleges we violated the Real Estate Settlement Procedures Act ("RESPA") and state law by giving favorable discounts or rates to builders and developers for escrow fees and requiring purchasers to use Chicago Title Insurance Company for escrow services. The actions seek refunds of the premiums charged and additional damages. We intend to continue to vigorously defend the California action.

A purported shareholder derivative action (McCabe v. Fidelity National Financial, Inc., *et al.*) was filed on February 11, 2005 in the U.S. District Court, Middle District of Florida, Jacksonville Division alleging that FNF's directors and certain executive officers breached their fiduciary and other duties, and exposed FNF to potential fines, penalties and suits in the future, by permitting so called contingent commissions to obtain business. FNF and its directors and executive officers named as defendants filed Motions to Dismiss the action on June 3, 2005. The plaintiff abandoned his original complaint and responded to the motions by filing an amended Complaint on July 13, 2005, and FNF, along with its directors and executive officers named as defendants, must respond to the amended Complaint by August 29, 2005. The amended complaint repeats the allegations of the original complaint and adds allegations about “captive reinsurance” programs, which we continue to believe were lawful. These “captive reinsurance” programs are the subject of investigations by several state departments of insurance and attorney generals. We have agreed to indemnify FNF in connection with this matter under the separation agreement to be entered into in connection with the distribution and we intend to vigorously defend this action.

Several state departments of insurance and attorney generals are investigating so called “captive reinsurance” programs whereby some of our title insurance underwriters reinsured policies through reinsurance companies owned or affiliated with brokers, builders or bankers. Some investigating agencies claim these programs unlawfully compensated customers for the referral of title insurance business. Although we believed and continue to believe the programs were lawful, the programs have been discontinued. The Company recently negotiated a settlement with the California Department of Insurance with respect to that department’s inquiry into captive reinsurance programs in the title insurance industry. Under the terms of the settlement, we will refund approximately $7.7 million to those consumers whose California property was subject to a captive reinsurance arrangement and will also pay a penalty of $5.6 million. As part of the settlement, we have denied any wrongdoing. We continue to cooperate with other investigating authorities, and no other actions have been filed by the authorities against us or our underwriters.

Regulation

Our insurance subsidiaries, including underwriters, underwritten title companies and independent agents, are subject to extensive regulation under applicable state laws. Each of the insurance underwriters is subject to a holding company act in its state of domicile, which regulates, among other matters, the ability to pay dividends and investment policies. The laws of most states in which we transact business establish supervisory agencies with broad administrative powers relating to issuing and revoking licenses to transact business, regulating trade practices, licensing agents, approving policy forms, accounting practices, financial practices, establishing reserve and capital and surplus as regards policyholders (“capital and surplus”) requirements, defining suitable investments for reserves and capital and surplus and approving rate schedules.

Pursuant to statutory accounting requirements of the various states in which our title insurance subsidiaries are licensed, those subsidiaries must defer a portion of premiums earned as an unearned premium reserve for the protection of policyholders and must maintain qualified assets in an amount equal to the statutory requirements. The level of unearned premium reserve required to be maintained at any time is determined by statutory formula based upon either the age, number of policies, and dollar amount of policy liabilities underwritten, or the age and dollar amount of statutory premiums written. As of December 31, 2004, the combined statutory unearned premium reserve required and reported for our title insurance subsidiaries was $1,176.6 million. In addition to statutory unearned premium reserves, each of our insurance subsidiaries maintains surplus funds for policyholder protection and business operations.

The insurance commissioners of their respective states of domicile regulate our title insurance subsidiaries. Regulatory examinations usually occur at three-year intervals, and certain of these examinations are currently ongoing.

Under the statutes governing insurance holding companies in most states, insurers may not enter into various transactions, including certain sales, reinsurance agreements and service or management contracts with their affiliates unless the regulator of the insurer’s state of domicile has received notice at least 30 days prior to the intended effective date of such transaction and has not objected in such period or has approved the transaction within the 30 day period.

As a holding company with no significant business operations of our own, we depend on dividends or other distributions from our subsidiaries as the principal source of cash to meet our obligations, including the payment of interest on, and repayment of, principal of any debt obligations. The payment of dividends or other distributions to us by our U.S. insurance subsidiaries is regulated by the insurance laws and regulations of their respective states of domicile. In general, an insurance company subsidiary may not pay an “extraordinary” dividend or distribution unless the applicable insurance regulator has received notice of the intended payment at least 30 days prior to payment and has not objected in such period or has approved the payment within the 30-day period. In general, an “extraordinary” dividend or distribution is defined by these laws and regulations as a dividend or distribution that, together with other dividends and distributions made within the preceding 12 months, exceeds the greater (or, in some jurisdictions, the lesser) of:

- 10% of the insurer’s statutory surplus as of the immediately prior year end; or
- the statutory net investment income or the statutory net income of the insurer during the prior calendar year.

The laws and regulations of some of these jurisdictions also prohibit an insurer from declaring or paying a dividend except out of its earned surplus or require the insurer to obtain regulatory approval before it may do so. During the remainder of 2005, our title insurance subsidiaries can pay dividends or make distributions to us of approximately $89.1 million without prior regulatory approval. In addition, insurance regulators may prohibit the payment of ordinary dividends or other payments by our insurance subsidiaries to us (such as a payment under a tax sharing agreement or for employee or other services) if they determine that such payment could be adverse to our policyholders.

As a condition to continued authority to underwrite policies in the states in which our subsidiaries conduct their business, they are required to pay certain fees and file information regarding their officers, directors and financial condition.

Pursuant to statutory requirements of the various states in which our subsidiaries are domiciled, they must maintain certain levels of minimum capital and surplus. Each of our title underwriters has complied with the minimum statutory requirements as of December 31, 2004.

Our underwritten title companies are also subject to certain regulation by insurance regulatory or banking authorities, primarily relating to minimum net worth. Minimum net worth of $7.5 million, $2.5 million, $3.0 million and $0.4 million is required for Fidelity National Title Company, Fidelity National Title Company of California, Chicago Title Company and Ticor Title Company of California, respectively. All of our companies were in compliance with their respective minimum net worth requirements at December 31, 2004.

We get inquiries and requests for information from state insurance departments, attorneys general and other regulatory agencies from time to time about various matters relating to our business. Sometimes these take the form of civil investigative subpoenas. We attempt to cooperate with all such inquiries. From time to time, we are assessed immaterial fines for violations of regulations or other matters. Like many other insurance companies, in 2004 our subsidiaries received civil subpoenas from the New York State Attorney General, requesting information about our arrangements with agents and other matters. We have been cooperating and intend to continue to cooperate with these inquiries.

In the fall of 2004, the California Department of Insurance began an investigation into reinsurance practices in the title insurance industry and in February 2005, FNF was issued a subpoena to provide information to the California Department of Insurance as a part of its investigation. This investigation paralleled the inquiries of the National Association of Insurance Commissioners, which began earlier in 2004. The investigations have focused on arrangements in which title insurers would write title insurance generated by realtors, developers and lenders and cede a portion of the premiums to a reinsurance company affiliate of the entity that generated the business. Other state insurance departments and attorneys general also have made formal or informal inquiries to us regarding these matters.

We recently negotiated a settlement with the California Department of Insurance with respect to that department's inquiry into captive reinsurance programs in the title insurance industry. Under the terms of the settlement we will refund approximately $7.7 million to those consumers whose California property was subject to a captive reinsurance arrangement and we will pay a penalty of $5.6 million.

We have been cooperating and intend to continue to cooperate with the other ongoing investigations. We have discontinued all reinsurance agreements of the type the investigations cover. The total amount of premiums we ceded to reinsurers was approximately $10 million over the existence of these agreements. These investigations are at an early stage and as a result we are unable to give any assurance regarding their consequences for the industry or for us.

Our subsidiaries are subject to extensive rate regulation by the applicable state agencies in the jurisdictions in which we operate. Title insurance rates are regulated differently in the various states in which we operate, with some states requiring our subsidiaries to file rates before such rates become effective and some states promulgating the rates to be charged by our subsidiaries. In almost all states in which we operate, our rates must not be excessive, inadequate or unfairly discriminatory.

The California Department of Insurance has recently announced its intent to examine levels of pricing and competition in the title insurance industry in California. New York and Colorado insurance regulators have also announced similar inquiries and other states could follow. At this stage, we are unable to predict what the outcome will be of this or any similar review.

Before a person can acquire control of a U.S. insurance company, prior written approval must be obtained from the insurance commissioner of the state where the domestic insurer is domiciled. Prior to granting approval of an application to acquire control of a domestic insurer, the state insurance commissioner will consider such factors as the financial strength of the applicant, the integrity and management of the applicant's board of directors and executive officers, the acquiror's plans for the insurer's board of directors and executive officers, the acquiror's plans for the future operations of the domestic insurer and any anti-competitive results that may arise from the consummation of the acquisition of control. Generally, state statutes provide that control over a domestic insurer is presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, 10% or more of the voting securities of the domestic insurer. Because a person acquiring 10% or more of our common shares would indirectly control the same percentage of the stock of our title insurance subsidiaries, the insurance change of control laws would likely apply to such a transaction.

The NAIC has adopted an instruction requiring an annual certification of reserve adequacy by a qualified actuary. Because all of the states in which our title insurance subsidiaries are domiciled require adherence to NAIC filing procedures, each such subsidiary, unless it qualifies for an exemption, must file an actuarial opinion with respect to the adequacy of its reserves.

We are not aware of any current material non-compliance with any of the foregoing rules and regulations nor are we aware of material non-compliance with regard to any such rules or regulations within the past three years.

Since we are governed by both state and federal governments and the applicable insurance laws are constantly subject to change, it is not possible to predict the potential effects of any laws or regulations that may become more restrictive in the future or if new restrictive laws will be enacted.

Ratings

Our title insurance subsidiaries are regularly assigned ratings by independent agencies designed to indicate their financial condition and/or claims paying ability. The ratings agencies determine ratings by quantitatively and qualitatively analyzing financial data and other information. Our title subsidiaries include Fidelity National Title, Chicago Title, Ticor Title, Security Union Title and Alamo Title. The insurer financial strength/stability ratings of our principal title insurance subsidiaries are listed below, and an explanation of each rating follows:

	S&P	Moody's	Fitch	A. M. Best	Demotech
Alamo Title Insurance	A-	A3	A-	A-	A´
Chicago Title Insurance Co.	A-	A3	A-	A-	A´´
Chicago Title Insurance Co. of Oregon	A-	A3	A-	A-	A´
Fidelity National Title Insurance Co.	A-	A3	A-	A-	A´
Ticor Title Insurance Co.	A-	A3	A-	A-	A´
Security Union Title Insurance Co.	A-	A3	A-	A-	A´

The ratings of S&P, Moody's, A.M. Best, Fitch and Demotech described above are not designed to be, and do not serve as, measures of protection or valuation offered to investors in this distribution. These financial strength ratings should not be relied on with respect to making an investment in our securities. In connection with the announcement of this distribution and the increased financial leverage that will result, S&P placed the A- financial strength rating on CreditWatch negative, Moody's affirmed the A3 financial strength rating although the rating outlook was changed to negative and Fitch placed the financial strength rating on Rating Watch Negative. In addition, A.M. Best downgraded the financial strength ratings of our principal insurance subsidiaries to A-.

S&P Ratings

S&P states that an "A-" rating means that, in its opinion, the insurer is highly likely to have the ability to meet its financial obligations. An "A-" rating is the seventh highest of S&P's twenty-one ratings which range from "AAA" to "R" with a plus (+) or minus (-) showing relative standing within a rating category.

Moody's Ratings

Moody's states that insurance companies rated "A3" offer good financial security. The "A3" rating is the seventh highest rating of Moody's twenty-one ratings that range from "Aaa" to "C" with numeric modifiers used to refer to the ranking within the group, with 1 being the highest and 3 being the lowest.

Fitch Ratings

Fitch states that its "A- (Strong)" rating is assigned to those companies that are viewed as possessing strong capacity to meet policyholder and contract obligations. The "A- (Strong)" rating is the seventh highest rating of Fitch's twenty-four ratings that range from "AAA" to "D." The symbol plus (+) or minus (-) may be appended to a rating to indicate its relative position within a rating category, except that such symbols are not appended to ratings in the "AAA" category or to the ratings below the "CCC" category.

A.M. Best Ratings

A.M. Best states that its "A- (Excellent)" rating is assigned to those companies that have, in its opinion, an excellent ability to meet their ongoing obligations to policyholders. The "A- (Excellent)" rating is the fourth highest rating of A.M. Best's fifteen ratings that range from "A++" to "F."

Demotech Ratings

Demotech rates the financial stability of title underwriters. Demotech states that its ratings of "A´´ (A double prime)" and "A´ (A prime)" reflect its opinion that, regardless of the severity of a general economic downturn or deterioration in the insurance cycle, the insurers assigned either of those ratings possess "Unsurpassed" financial stability related to maintaining positive surplus as regards policyholders. The "A´´ (A double prime)" and "A´ (A prime)" ratings are the first and second highest ratings of Demotech's five ratings.

MANAGEMENT

Directors and Executive Officers

Set forth below is certain information concerning our directors and executive officers. All ages are as of April 30, 2005.

Name	Age	Position
William P. Foley, II	60	Chairman of the Board
Raymond R. Quirk	58	Chief Executive Officer
Christopher Abbinante	54	President, Eastern Operations
Roger S. Jewkes	46	President, Western Operations
Erika Meinhardt	46	President, National Agency Operations
Anthony J. Park	38	Chief Financial Officer
Willie M. Davis	70	Director Nominee
John F. Farrell, Jr.	67	Director Nominee
Philip G. Heasley	55	Director Nominee
William A. Imparato	58	Director Nominee
Donald M. Koll	72	Director Nominee
General William Lyon	82	Director Nominee
Frank P. Willey	51	Director Nominee

The following sets forth certain biographical information with respect to our executive officers and directors listed above.

William P. Foley, II is the Chairman of our board of directors. He is also the Chief Executive Officer and Chairman of the board of directors of FNF, and has served in those capacities since FNF's formation in 1984. Mr. Foley is also the Chief Executive Officer and Chairman of the board of directors for FIS, and has served in those capacities since 2004. He also served as President of FNF from 1984 until December 31, 1994. Mr. Foley also is currently serving as Chairman of the board of directors of CKE Restaurants, Inc.

Raymond R. Quirk is our Chief Executive Officer. Prior to his position as Chief Executive Officer, he was President of FNF from January 2003 to the present. Since he joined FNF in 1985, Mr. Quirk has also served in numerous executive and management positions, including Executive Vice President, Co-Chief Operating Officer, and Divisional and Regional Manager with responsibilities governing direct and agency operations nationally.

Christopher Abbinante is our President, Eastern Operations. Prior to his appointment as President, Eastern Operations, Mr. Abbinante has served as an Executive Vice President and a Co-Chief Operating Officer of FNF since January 2002. Mr. Abbinante joined FNF in 2000 in connection with FNF's acquisition of Chicago Title Corporation. Prior to joining FNF, Mr. Abbinante served as a Senior Vice President of Chicago Title Insurance Company from 1976 to 2000.

Roger S. Jewkes is our President, Western Operations. Prior to his appointment as President, Western Operations, Mr. Jewkes has served as a Division Manager for FNF from May 2003 to present and as a Regional Manager with FNF from May 2001 to 2003. In his role as a Division Manager, Mr. Jewkes was responsible for FNF's direct title operations in California, Arizona, Colorado, Nevada and New Mexico. Mr. Jewkes has held various other operational management positions with FNF since he joined the company through an acquisition in 1987.

Erika Meinhardt is our President, National Agency Operations. Prior to her appointment as President, National Agency Operations, she has served as Executive Vice President and Division Manager for FNF since 2002, with responsibility for direct and agency operations in the Southeast and Northeast. Ms. Meinhardt has held various other positions with FNF and its subsidiary companies since 1983.

Anthony J. Park is our Chief Financial Officer. Prior to his appointment as our Chief Financial Officer, Mr. Park has served as the Chief Accounting Officer of FNF since March 2000. In his role as Chief Accounting Officer of FNF, Mr. Park had primary responsibility for all aspects of the corporate accounting function and production of the consolidated financial statements. Mr. Park has previously held the titles of Controller and Assistant Controller of FNF since he joined FNF in 1991.

Willie D. Davis. Mr. Davis has served as the President and a director of All-Pro Broadcasting, Inc., a holding company that operates several radio stations, since 1976. Mr. Davis currently also serves on the Board of Directors of Checkers Drive-In Restaurants, Inc., Sara Lee Corporation, Dow Chemical Company, MGM, Inc., MGM Grand, Inc., Alliance Bank, Johnson Controls, Inc., Bassett Furniture Industries, Incorporated and Strong Fund.

John F. Farrell, Jr. Mr. Farrell is Chairman of Automatic Service Company and has been since 1997. From 1985 through 1994 he was Chairman and Chief Executive Officer of North American Mortgage Company. Mr. Farrell was Chairman of Integrated Acquisition Corporation from 1984 through 1989. He was a partner with Oppenheimer and Company from 1972 through 1981.

Philip G. Heasley. Mr. Heasley is Chairman and Chief Executive Officer of Paypower LLC and has been since 2003. From 2000 to 2003, he was Chairman and Chief Executive Officer of First USA Bank, the credit card subsidiary of Bank One. Prior to joining First USA, Mr. Heasley spent 13 years in executive positions at U.S. Bancorp, including six years as Vice Chairman and the last two years as President and Chief Operating Officer. Before joining U.S. Bancorp, Mr. Heasley spent 13 years at Citicorp, including three years as President and Chief Operating Officer of Diners Club, Inc. Mr. Heasley currently serves as Chairman of the Board of Visa USA and as a director of Visa International, Fair Isaac Corporation and Ohio Casualty Corporation.

William A. Imparato. Mr. Imparato is currently a Partner in Beus Gilbert PLLC and the Managing Member of Tri-Vista Partners, LLC, and has been for more than five years. From June 1990 to December 1993, Mr. Imparato was President of the Company’s wholly-owned real estate subsidiary Manchester Development Corporation. From July 1980 to March 2000 he was a partner in Park West Development Company, a real estate development firm headquartered in Phoenix, Arizona. In March 2000, Mr. Imparato started a new real estate development firm, Tri-Vista Partners LLC, headquartered in Scottsdale, Arizona.

Donald M. Koll. Mr. Koll is Chairman of the Board and Chief Executive Officer of The Koll Company and has been since its formation on March 26, 1962.

General William Lyon. General Lyon is Chairman of the Board and Chief Executive Officer of William Lyon Homes, Inc. and affiliated companies, which are headquartered in Newport Beach, California, and has been for more than five years. In 1989, General Lyon formed Air/ Lyon, Inc., which included Elsinore Service Corp. and Martin Aviation at John Wayne Airport. He has been Chairman of the Board of The William Lyon Company since 1985.

Frank P. Willey. Mr. Willey was the Vice Chairman of the Board of FNF and has been a director since the formation of FNF in 1984. Mr. Willey served as FNF’s President from January 1, 1995 through March 20, 2000. Prior to that, he served as an Executive Vice President and General Counsel of FNF from its formation until December 31, 1994. Mr. Willey also has served in various capacities with subsidiaries and affiliates of FNF since joining FNF in 1984. Presently, Mr. Willey also serves as a director of CKE Restaurants, Inc.

Composition of the Board of Directors

Our directors will be divided into three classes of approximately equal size and serve for staggered three-year terms. At each annual meeting of stockholders, directors will be elected to succeed the class of directors whose term has expired. Class I's term will expire at the 2006 annual meeting, Class II's term will expire at the 2007 annual meeting and Class III's term will expire at the 2008 annual meeting. Our director nominees will be allocated to classes upon their election to the board.

For a description of requirements of our bylaws with respect to stockholder proposals and director nominations by stockholders, see "Description of Capital Stock — Certain Provisions of our Certificate and Bylaws and of Delaware Law — Advance Notice Requirements for Stockholder Proposals and Director Nominees."

Committees of the Board of Directors

Upon completion of this distribution, the standing committees of our board of directors will include the audit committee, the nominating and corporate governance committee, and the compensation committee. These committees are described below. Our board of directors may also establish various other committees to assist it in its responsibilities.

Audit committee. This committee will be primarily concerned with the accuracy and effectiveness of the audits of our financial statements by our internal audit staff and by our independent auditors. This committee is responsible for assisting the board's oversight of:

- the quality and integrity of our financial statements and related disclosure;
- our compliance with legal and regulatory requirements;
- the independent auditor's qualifications and independence; and
- the performance of our internal audit function and independent auditor.

The rules of the NYSE require that each issuer have an audit committee of at least three members, and that one independent director (as defined in those rules) be appointed to the audit committee at the time of listing, one within 90 days after listing and the third within one year after listing. We expect to appoint at least one independent director to our audit committee effective as of our listing. We intend to appoint additional independent directors to serve on our board and the audit committee as soon as practicable, but in any event within the time periods prescribed by the listing rules.

Nominating and corporate governance committee. This committee's responsibilities will include the selection of potential candidates for our board of directors and the development and annual review of our governance principles.

Compensation committee. This committee will have two primary responsibilities:

- to monitor our management resources, structure, succession planning, development and selection process as well as the performance of key executives; and
- to review and approve executive compensation and broad-based and incentive compensation plans.

The rules of the NYSE will require our compensation and nominating and corporate governance committees to consist of at least three independent directors following the date that FNF no longer owns more than 50% of our common stock. We intend to appoint independent directors (as defined in the applicable rules) to serve on the compensation committee and the nominating and corporate governance committee as soon as practicable, but in any event within the time period prescribed by the listing rules.

Director Compensation

Directors who also are our officers do not receive any compensation for acting as directors, except for reimbursement of reasonable expenses, if any, incurred in attending board meetings. Directors who are not our employees receive:

- an annual retainer of ;
- a per meeting fee of for each board meeting attended;

Table of Contents

- an annual retainer of for service on any board committee (except audit) or a annual retainer if chair of any committee (except audit);
- an annual retainer of for service on the audit committee or a annual retainer if chair of the audit committee;
- a per meeting fee of for each committee meeting attended (except audit which has a per meeting fee of ; and
- expenses of attending board and committee meetings.

In addition, each non-employee director will be granted options concurrent with the completion of this distribution to purchase shares of our Class A Common Stock, at an exercise price equal to the closing price of our Class A Common Stock on the NYSE on the date of the distribution.

Executive Compensation

The following table sets forth the compensation paid or awarded to our chief executive officer and our other executive officers who, based on salary and bonus compensation from FNF and its subsidiaries, were the most highly compensated for the year ended December 31, 2004. All information set forth in this table reflects compensation earned by these individuals for services with FNF and its subsidiaries.

Summary Compensation Table

	Annual Compensation				Long-term Compensation		
Name and Title	Fiscal Year	Salary(1) ($)	Bonus(2) ($)	Other Annual Compensation(3) ($)	Restricted Stock Units(4) ($)	Securities Underlying Options(5) (#)	All Other Compensation(6) ($)
Raymond R. Quirk	2004	606,250	1,210,227	7,304	—	150,000	28,956
Chief Executive Officer	2003	594,529	1,557,123	89,148	1,156,050	8,250	23,644
	2002	418,764	837,500	6,000	—	129,421	23,019
Christopher Abbinante President, Eastern Operations	2004	475,000	879,344	6,000	—	106,400	25,876
Roger S. Jewkes President, Western Operations	2004	469,059	450,000	6,000	—	93,100	17,477
Erika Meinhardt President, National Agency Operations	2004	341,668	600,000	8,781	—	106,400	22,284
Anthony J. Park Chief Financial Officer	2004	250,001	197,542	—	—	26,600	17,269

(1) Amounts shown for the indicated fiscal year include amounts deferred at the election of the named executive officer pursuant to the FNF's 401(k) plan.

(2) Bonuses were awarded during the year following the year to which the bonuses relate, based on an evaluation by the Compensation Committee of the Board of Directors. Amounts shown for Mr. Quirk for the 2002 fiscal year include cash bonus amounts earned and deferred at his election and utilized to reduce the exercise price of stock options granted to him during the subsequent fiscal year pursuant to the 1991 and 2001 Stock Option Plans. The bonus amount applied to reduce the exercise price of stock option grants awarded to Mr. Quirk and included in this column for 2002, the most recent year for which the options were granted, was $75,000.

(3) Amounts shown for Mr. Quirk include (i) $83,148 reimbursed during 2003 for the payment of taxes in connection with the restricted stock grant; (ii) the cost of a Company provided automobile of $6,000 in 2004, 2003 and 2002; and (iii) personal use of Company aircraft by Mr. Quirk of $1,304 in 2004.

(4) Pursuant to the 2001 Plan, the Company granted a right to Mr. Quirk to purchase shares of restricted common stock on November 18, 2003. The restricted shares granted vest over a four year period, of

which one-fifth vested immediately on the date of grant. Dividends are paid by the Company on the restricted stock granted. The number and aggregate value of Mr. Quirk's restricted stock holdings as of December 31, 2004 were 23,100 shares and $1,054,977, respectively.

(5) The number of securities underlying options has been adjusted to reflect all dividends and stock splits.

(6) Amounts shown for fiscal 2004 consist of the following: (i) Mr. Quirk: no Company contribution to 401(k) Plan, Company paid life insurance premiums — $3,070 and Company contribution to Employee Stock Purchase Program — $25,886; (ii) Mr. Abbinante: Company contribution to 401(k) Plan — $6,150, Company paid life insurance premiums — $1,642 and Company contribution to Employee Stock Purchase Program — $18,084; (iii) Mr. Jewkes: Company contribution to 401(k) Plan — $6,150, Company paid life insurance premiums — $1,071 and Company contribution to Employee Stock Purchase Program — $16,406; (iv) Ms. Meinhardt: Company contribution to 401(k) Plan — $6,150, Company paid life insurance premiums — $1,971 and Company contribution to Employee Stock Purchase Program — $20,312; and (v) Mr. Park: Company contribution to 401(k) Plan — $6,150, Company paid life insurance premiums — $81 and Company contribution to Employee Stock Purchase Program — $17,187.

Stock Ownership Guidelines

In order to help demonstrate the alignment of the personal interests of our officers and directors with the interests of our stockholders, we have established the following stock ownership guidelines, as multiples of the officer's base salary or the director's annual retainer from FNT, that must be held by our officers or directors:

Position	Multiple
Chief Executive Officer	5x Base Salary
Other Officers (direct reports to the CEO or Section 16 Reporting Persons)	2x Base Salary
Members of the Board	2x Annual Retainer

The number of shares of our stock that must be held is determined by multiplying the officer's annual base salary (or in the case of a non-employee director, such director's annual retainer) by the applicable multiple shown above, and dividing the result by the highest closing price of our stock during the immediately preceding 24 months. Compliance will be monitored by the compensation committee of our board of directors once a year and not on a running basis. In order to meet this stock ownership requirement, an officer or director may count all shares of our stock beneficially owned by such officer or director, including stock held in our 401(k) plan, our employee stock purchase plan, stock units held in any deferral plan, any restricted shares, restricted stock units and vested options including any restricted shares issued to such officer or director upon conversion of FNF restricted shares in connection with the distribution. Each officer or director must attain ownership of the required stock ownership level within five years after first becoming subject to these guidelines, provided, that if an individual becomes subject to a greater ownership requirement due to a promotion or increase in base salary, such individual is expected to meet the higher ownership requirement within three years.

Stock Ownership of Directors and Executive Officers

All of our common stock is currently owned by FNF, and thus none of our present or future officers or directors currently owns any shares of our common stock. In addition, those officers and directors who own shares of FNF common stock will be treated on the same terms as any other holders of FNF common stock and will receive shares of our common stock in the distribution in respect of any shares of FNF common stock that they hold on the record date of the distribution. FNF stock options and restricted stock held by our employees and directors will also be affected in connection with the separation. See "— Treatment of FNF Stock Options and Restricted Shares."

Table of Contents

The following table sets forth the number of shares of FNF common stock beneficially owned on May 31, 2005 by each of our directors, each of the executive officers named in the summary compensation table below, and all of our directors and executive officers as a group. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and includes voting or investment power with respect to the securities. The number of shares of common stock outstanding used in calculating the percentage for each listed person includes the shares of common stock underlying options held by that person that are exercisable within 60 days of May 31, 2005 but excludes shares of common stock underlying options held by any other person.

	Shares of FNF Common Stock	
Name	**Beneficially Owned(1)**	**Percent of Class**
William P. Foley, II	9,575,912	5.42%
Willie D. Davis	82,406	*
John F. Farrell, Jr.	56,613	*
Philip G. Heasley	31,156	*
William A. Imparato	114,723	*
Donald M. Koll	181,659	*
General William Lyon	132,977	*
Frank P. Willey	1,546,435	*
Raymond R. Quirk	634,849	*
Christopher Abbinante	74,196	*
Roger S. Jewkes	45,807	*
Erika Meinhardt	176,167	*
Anthony J. Park	108,390(2)	*
All directors and executive officers as a group (persons)	12,761,290	7.17%

* Indicates less than 1% of FNF outstanding common stock.

(1) Shares “beneficially owned” include: (a) shares of FNF common stock owned by the individual, (b) FNF restricted stock granted to the individual (Mr. Foley — 165,000; Messrs. Davis, Farrell, Heasley, Imparato, Koll, Lyon — 3,300; Mr. Willey — 13,200; Mr. Quirk — 23,100; Mr. Abbinante — 13,200; Mr. Jewkes — 8,800; Ms. Meinhardt — 13,200; and Mr. Park — 3,080), (c) FNF options that are exercisable within 60 days and (d) shares of FNF common stock held in the individual’s 401(k) and ESPP accounts.

(2) Included in this amount are 1,591 shares of FNF common stock held by Mr. Park’s spouse.

Table of Contents

Option Grants

The following table provides information as to options to acquire our common stock to be granted to the named executive officers on the date of this distribution pursuant to our 2005 Omnibus Incentive Plan. See "— Omnibus Incentive Plan."

FNT Option Grants at the Distribution

	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term(2)	
Name	Number of Securities Underlying Options Granted (#)	Percentage of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price ($/share)	Expiration Date	5% ($)	10% ($)
Raymond R. Quirk		%	$ (1)		$	$
Christopher Abbinante		%	$ (1)		$	$
Roger S. Jewkes		%	$ (1)		$	$
Erika Meinhardt		%	$ (1)		$	$
Anthony J. Park		%	$ (1)		$	$

(1) The options will be granted under the 2005 Omnibus Incentive Plan to our key employees at an exercise price equal to the closing price of shares of our Class A Common Stock traded on the NYSE on the date of the distribution.

(2) These are assumed rates of appreciation and are not intended to forecast future appreciation of our common stock.

The following table provides information as to options to acquire FNF common stock granted to the named executive officers during 2004 pursuant to either FNF's Amended and Restated 1998 Stock Incentive Plan (the "1998 Plan") or FNF's 2004 Omnibus Incentive Plan.

FNF Option Grants in Last Fiscal Year

	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term(3)	
Name	Number of Securities Underlying Options Granted (#)	Percentage of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price ($/Share)	Expiration Date	5% ($)	10% ($)
Raymond R. Quirk	150,000	3.4%	$ 36.60(1)	10/15/12	$ 4,204,200	$ 8,465,765
Christopher Abbinante	106,400	1.8%	$ 28.06(2)	9/10/12	$ 1,425,491	$ 3,414,299
Roger S. Jewkes	93,100	1.6%	$ 28.06(2)	9/10/12	$ 1,247,305	$ 2,987,511
Erika Meinhardt	106,400	1.8%	$ 28.06(2)	9/10/12	$ 1,425,491	$ 3,414,299
Anthony J. Park	26,600	0.5%	$ 28.06(2)	9/10/12	$ 356,373	$ 853,574

(1) The stock options shown in the table above were granted to the named executive officers on October 15, 2004 (subject to stockholder approval of FNF's 2004 Omnibus Incentive Plan on December 16, 2004) at an exercise price of $36.60, the fair market value of FNF's Common Stock on the date of grant. All such options were granted under FNF's 2004 Omnibus Incentive Plan and vest in three equal annual installments beginning on the first anniversary of the date of grant. Vesting is accelerated upon a change in control of FNF occurring more than one year after grant.

(2) The stock options shown in the table above were granted to the named executive officers on September 10, 2004 at an exercise price of $37.32, the fair market value of FNF's common stock on

the date of grant. The exercise price of, and the number of shares underlying, the stock options were subsequently adjusted pursuant to the anti-dilution provisions of the 1998 plan to account for the payment of a special $10 per share cash dividend by FNF on March 28, 2005. All of such options were granted under FNF's 1998 Plan and vest in three equal annual installments beginning on the first anniversary of the date of grant. Vesting is accelerated upon a change in control of FNF occurring more than one year after the date of grant.

(3) These are assumed rates of appreciation, and are not intended to forecast future appreciation of FNF's common stock.

The following table summarizes information regarding exercises of FNF stock options by the named executive officers during 2004 and unexercised FNF options held by them as of December 31, 2004.

Aggregated FNF Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values

Name	Shares Acquired on Exercise (#)	Value Realized ($)	Number of Securities Underlying Unexercised Options at December 31, 2004 Exercisable/	Unexercisable	Value of Unexercised In-the-Money Options at December 31, 2004(1)($) Exercisable/	Unexercisable
Raymond R. Quirk	—	$ —	498,827	177,152	$ 11,940,537	$ 1,854,020
Christopher Abbinante	22,355	$ 2,054,540	21,058	127,457	$ 246,628	$ 1,062,823
Roger S. Jewkes	—	$ —	27,145	98,013	$ 573,718	$ 663,409
Erika Meinhardt	3,300	$ 85,511	133,336	115,546	$ 3,328,553	$ 815,981
Anthony J. Park	—	$ —	90,005	29,039	$ 2,564,087	$ 206,454

(1) In accordance with the rules of the Securities and Exchange Commission, values are calculated by subtracting the exercise price from the fair market value of the underlying common stock. For purposes of this table, the fair market value is deemed to be $45.67, the closing price of the common stock of FNF reported by the NYSE on December 31, 2004.

Treatment of FNF Stock Options and Restricted Shares

It is anticipated that, at the time of the distribution, FNF stock options and restricted stock held by our employees and directors will be affected as follows:

- stock options: FNF stock options will be equitably adjusted to reflect the impact of the distribution. Holders of FNF stock options will continue to hold such options, as adjusted, pursuant to the terms and conditions of their individual award agreements; and
- restricted stock: holders of FNF restricted stock will receive unrestricted FNT shares in the distribution in the same proportion as other FNF stockholders. Such holders will continue to hold FNF restricted stock pursuant to the terms and conditions of their individual award agreements.

Omnibus Incentive Plan

In connection with this distribution, we intend to establish a 2005 Omnibus Incentive Plan, or *omnibus plan.* The omnibus plan will permit us to grant the following types of awards:

- nonqualified stock options;
- "incentive stock options" within the meaning of section 422 of the Internal Revenue Code;
- stock appreciation rights;
- restricted stock;
- restricted stock units;

- performance shares;
- performance units; and
- other cash and stock-based awards.

Recipients of awards under the omnibus plan may also be awarded dividends and dividend equivalents in connection with their awards.

The following is a description of the omnibus plan and the awards that may be made in connection with and after the distribution.

Effective date and term. The omnibus plan will become effective on or before the distribution, and will authorize the granting of awards for up to 10 years.

Administration. The omnibus plan may be administered by our compensation committee or another committee selected by our board of directors, any of which we refer to as the *committee.* The committee will be able to select the individuals who will receive awards; determine the size and types of awards; determine the terms and conditions of awards; construe and interpret the omnibus plan and any award agreement or other instrument entered into under the omnibus plan; establish, amend and waive rules and regulations for the administration of the omnibus plan; and amend awards. The committee's determinations and interpretations under the omnibus plan will be binding on all interested parties. The committee will be empowered to delegate its administrative duties and powers as it may deem advisable, to the extent permitted by law.

Eligibility. Incentive stock options may be granted only to our employees and employees of our parent and our subsidiaries. Other awards may be granted to employees, directors, consultants and advisors of ours and of our parent and subsidiaries.

Number of shares available for issuance. Subject to adjustment as described below, shares of our common stock may be issued in connection with awards granted under the omnibus plan. The maximum number of shares that may be issued under the omnibus plan in connection with "full-value awards" (awards other than (1) options, (2) stock appreciation rights or (3) other awards for which the participant pays the grant date intrinsic value) is shares. If settlement of a full-value award results in the delivery of shares in excess of the above limit, the aggregate number of shares available for awards other than full-value awards will be reduced by shares for each excess share delivered.

We may grant replacement awards in connection with mergers, acquisitions or other business transactions in which we engage in the future. These replacement awards will be treated as granted under the omnibus plan.

If an award under the omnibus plan is canceled, forfeited, terminates or is settled in cash, the shares related to that award will not be treated as having been delivered under the omnibus plan. In addition, subject to limitations intended to comply with the NYSE listing standards, shares that we hold back or that are tendered or returned by an award holder to cover the exercise price of an option or the tax withholding obligations relating to an award shall be considered shares not issued in connection with an award.

Annual award limits. The omnibus plan also contains annual award limitations. These provisions are designed so that compensation resulting from awards can qualify as tax deductible performance-based compensation under section 162(m) of the Internal Revenue Code before and after the 162(m) transition period described below. These limitations only apply to awards or related dividends or dividend equivalents intended to qualify as performance-based compensation. The maximum number of our shares with respect to which stock options or stock appreciation rights may be granted to any participant in any fiscal year is shares. The maximum number of our shares of restricted stock that may be granted to any participant in any fiscal year is shares. The maximum number of our shares with respect to which restricted stock units may be granted to any participant in any fiscal year is shares. The maximum number of our shares with respect to which performance shares may be granted to any participant in any fiscal year is shares. The maximum amount of compensation that may be paid with respect to performance units awarded to any participant in any fiscal year is $ or a number of shares having a fair market value not in excess of that amount. The maximum number of our shares with respect to which other stock-based awards may be granted to any participant in any fiscal year is shares. The maximum dividend or dividend equivalent that may be paid to any one participant in any one fiscal year is $.

Adjustments. In the event of any merger, reorganization, consolidation, recapitalization, liquidation, stock dividend, split-up, distribution, stock split, reverse stock split, share combination, share exchange, extraordinary dividend, or any change in the corporate structure affecting our common stock, such adjustment will be made to the number and kind of shares that may be delivered under the omnibus plan, the annual award limits, the number and kind of shares subject to outstanding awards, the exercise price, grant price or other price of shares subject to outstanding awards, any performance conditions relating to our common stock, the market price of our common stock, or per-share results, and other terms and conditions of outstanding awards, as may be determined to be appropriate and equitable by the committee to prevent dilution or enlargement of rights.

Awards. Following is a general description of the types of awards that may be delivered under the omnibus plan. Terms and conditions of awards will be determined on a grant-by-grant basis by the committee, subject to limitations contained in the omnibus plan.

Stock options. A participant granted a stock option will be entitled to purchase a specified number of shares of our common stock during a specified term at a fixed price. Except for replacement options and options that are adjusted by the committee in connection with adjustments, as described above, the per share purchase price of shares subject to options granted under the omnibus plan may not be less than 100% of the fair market value of our common stock on the date the option is granted. No option granted under the omnibus plan may have a term of more than 10 years. The committee may also award dividend equivalent payments in connection with such awards.

Stock appreciation rights. A participant granted a stock appreciation right will be entitled to receive the excess of the fair market value (calculated as of the exercise date) of a share of our common stock over the grant price of the stock appreciation right in cash, our shares of common stock or a combination of cash and shares. Except for replacement stock appreciation rights and stock appreciation rights adjusted by the committee in connection with adjustments, as described above, the grant price of a stock appreciation right granted under the omnibus plan may not be less than 100% of the fair market value of our common stock on the date the option is granted, and no stock appreciation right granted under the omnibus plan may have a term of more than 10 years. The committee may also award dividend equivalent payments in connection with such awards.

Restricted stock. Restricted stock is an award that is non-transferable and subject to a substantial risk of forfeiture until vesting conditions, which can be related to continued service or other conditions established by the committee, are satisfied. Prior to vesting, holders of restricted stock may receive dividends and voting rights. If the vesting condition is not satisfied, the participant forfeits the shares. The committee may also award dividend equivalent payments in connection with such awards.

Restricted stock units and performance shares. Restricted stock units and performance shares represent a right to receive a share of common stock, an equivalent amount of cash, or a combination of shares and cash, as the committee may determine, if vesting conditions are satisfied. Except for replacement restricted stock units and performance shares and restricted stock units and performance shares adjusted by the committee in connection with adjustments, as described above, the initial value of a restricted stock unit or performance share granted under the omnibus plan may not be less than 100% of the fair market value of our common stock on the date the award is granted. The committee may also award dividend equivalent payments in connection with such awards. Restricted stock units may contain vesting conditions based on continued service or other conditions established by the committee. Performance shares will contain vesting conditions based on attainment of performance goals established by the committee in addition to service conditions.

Performance units. Performance units are awards that entitle a participant to receive shares of common stock, cash or a combination of shares and cash if certain performance conditions are satisfied. The amount received depends upon the value of the performance units and the number of performance units earned, each of which is determined by the committee. The committee may also award dividend equivalent payments in connection with such awards.

Other cash and stock-based awards. Other cash and stock-based awards are awards other than those described above, the terms and conditions of which are determined by the committee. These awards may include, without limitation, the grant of shares of our common stock based on attainment of performance goals established by the committee, the payment of shares as a bonus or in lieu of cash based on attainment of performance goals established by the committee, and the payment of shares in lieu of cash under an incentive or bonus program. Payment under or settlement of any such awards shall be made in such manner and at such times as the committee may determine.

Dividend equivalents. Dividend equivalents granted to participants will represent a right to receive payments equivalent to dividends or interest with respect to a specified number of shares.

Performance-based compensation. The committee may specify that the attainment of the general performance measures set forth below may determine the degree of granting, vesting and/or payout with respect to awards (including any related dividends or dividend equivalents) that the committee intends will qualify as performance-based compensation under section 162(m) of the Internal Revenue Code. The performance goals to be used for such awards must be chosen from among the following performance measure(s): earnings per share, economic value created, market share (actual or targeted growth), net income (before or after taxes), operating income, adjusted net income after capital charge, return on assets (actual or targeted growth), return on capital (actual or targeted growth), return on equity (actual or targeted growth), return on investment (actual or targeted growth), revenue (actual or targeted growth), cash flow, operating margin, share price, share price growth, total stockholder return, and strategic business criteria, consisting of one or more objectives based on meeting specified market penetration goals, productivity measures, geographic business expansion goals, cost targets, customer satisfaction or employee satisfaction goals, goals relating to merger synergies, management of employment practices and employee benefits, or supervision of litigation and information technology, and goals relating to acquisitions or divestitures of subsidiaries, affiliates or joint ventures. The targeted level or levels of performance with respect to such performance measures may be established at such levels and on such terms as the committee may determine, in its discretion, including in absolute terms, as a goal relative to performance in prior periods, or as a goal compared to the performance of one or more comparable companies or an index covering multiple companies. Awards (including any related dividends or dividend equivalents) that are not intended to qualify as performance-based compensation may be based on these or such other performance measures as the committee may determine.

Change in control. The omnibus plan will provide that, except as otherwise provided in a participant's award agreement, upon the occurrence of a change in control, unless otherwise specifically prohibited under applicable laws or by the rules and regulations of any governing governmental agencies or national securities exchanges, any and all outstanding options and stock appreciation rights granted under the omnibus plan will become immediately exercisable, any restriction imposed on restricted stock, restricted stock units and other awards granted under the omnibus plan will lapse, and any and all performance shares, performance units and other awards granted under the omnibus plan with performance conditions will be deemed earned at the target level, or, if no target level is specified, the maximum level.

For purposes of the omnibus plan, the term "change in control" is defined as the occurrence of any of the following events:

- an acquisition immediately after which any person, group or entity possesses direct or indirect beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of 25% or more of either our outstanding common stock or our outstanding voting securities, provided that, after the acquisition, the acquirer's beneficial ownership percentage exceeds FNF's, and excluding any acquisition directly from us, by us, by FNF or by any of our employee benefit plans and certain other acquisitions;

- during any period of two consecutive years, the individuals who, as of the beginning of such period, constitute our board, or *incumbent board*, cease to constitute at least a majority of the board, provided that any individual who becomes a member of our board subsequent to the beginning of such period and whose election or nomination was approved by at least two thirds of the members of the incumbent board will be considered as though he or she were a member of the incumbent board;
- the consummation of a reorganization, merger, share exchange or consolidation or sale or other disposition of all or substantially all of our assets unless (a) our stockholders immediately before the transaction continue to have beneficial ownership of 50% or more of the outstanding shares of our common stock and the combined voting power of our then outstanding voting securities resulting from the transaction in substantially the same proportions as their ownership immediately prior to the transaction of our common stock and outstanding voting securities; (b) no person (other than us, our parent organization (or the parent organization of the resulting corporation), an employee benefit plan sponsored by us or the resulting corporation, or any entity controlled by us or the resulting corporation) has beneficial ownership of 25% or more of the outstanding common stock of the resulting corporation or the combined voting power of the resulting corporation's outstanding voting securities; and (c) individuals who were members of the incumbent board continue to constitute a majority of the members of the board of directors of the resulting corporation; or
- our stockholders approve a plan or proposal for the complete liquidation or dissolution of our company.

Notwithstanding the foregoing requirements, this distribution shall not constitute a change in control for purposes of the omnibus plan.

In addition, as long as FNF owns more than 50% of our common stock or voting securities, a change in control of FNF will also be considered a change in control for purposes of the omnibus plan. For this purpose, whether a change in control of FNF has occurred is determined in the same manner as described above, except that if the change in control is the result of an acquisition of FNF's outstanding common stock or outstanding voting securities, more than 50% of FNF's common stock or voting securities must be acquired before a change in control will be deemed to have occurred.

Deferrals. The committee may permit the deferral of vesting or settlement of an award and may authorize crediting of dividends or interest or their equivalents in connection with any such deferral. Any such deferral and crediting will be subject to the terms and conditions established by the committee and any terms and conditions of the plan or arrangement under which the deferral is made.

Transferability. Awards generally will be non-transferable except upon the death of a participant, although the committee may permit a participant to transfer awards (for example, to family members or trusts for family members) subject to such conditions as the committee may establish.

Amendment and termination. The omnibus plan may be amended or terminated by our board of directors at any time, subject to certain limitations, and the awards granted under the plan may be amended or terminated by the committee at any time, provided that no such action may, without a participant's written consent, adversely affect in any material way any previously granted award. No amendment that would require stockholder approval under applicable law may become effective without stockholder approval.

Tax withholding. We may deduct or withhold, or require a participant to remit, an amount sufficient to satisfy federal, state, local, domestic or foreign taxes required by law or regulation to be withheld with respect to any taxable event arising as a result of the omnibus plan. The committee may require or permit participants to elect that the withholding requirement be satisfied, in whole or in part, by having us withhold, or by tendering to us, shares of our common stock having a fair market value equal to the withholding obligation.

Certain limitations on deductibility of executive compensation. With some exceptions, section 162(m) of the Internal Revenue Code limits a publicly held company's ability to deduct compensation paid to its chief executive officer and the next four most highly compensated officers to the extent such compensation exceeds $1 million per executive per taxable year. Compensation paid to employees will not be subject to that deduction limit if it is considered "performance-based compensation" within the meaning of section 162(m) of the Internal Revenue Code. Compensation to be paid to employees under the omnibus plan is generally intended to be qualified performance-based compensation; however, the company reserves the right to grant awards that do not qualify as performance-based compensation when it determines that such compliance is not desirable. A special transition rule applies under section 162(m) when a company that is part of an affiliated group of companies with a publicly-traded parent company becomes a separate publicly-traded company. Under this transition rule, compensation paid and awards of stock options, stock appreciation rights or restricted stock granted under the omnibus plan during a transition period may qualify as performance-based compensation if certain conditions are met. The transition period ends on the first regularly scheduled meeting of our shareholders that occurs more than 12 months after the date of the distribution. Compensation attributable to awards granted after the transition period ends will only be able to qualify as performance-based compensation if shareholders approve certain material terms of the plan at, or before, that meeting.

Awards in connection with the distribution. On the date of our distribution, we anticipate granting to our executive officers, employees and directors nonqualified stock options to purchase an aggregate of   million shares of our common stock, with Messrs. Quirk, Abbinante, Jewkes, Park and Ms. Meinhardt being granted options to purchase   ,   ,   , and   shares, respectively. The exercise price of these options will be equal to the closing price of our Class A Common Stock on the NYSE on the date of distribution. These options will vest in   % annual increments commencing on the anniversary of the date of grant.

It may be necessary to amend the Omnibus Plan and outstanding awards under the Omnibus Plan to comply with section 409A of the Internal Revenue Code, a new tax law applicable to deferred compensation arrangements. We will make any such amendments within the time period permitted for such amendments. Current guidance requires that such amendments be made by December 31, 2005. In the interim, we will administer the plans and awards made under the plans in accordance with existing guidance relating to section 409A whether or not the Omnibus Plan or award agreement provides otherwise.

Employment Agreements

We intend to enter into employment agreements with Messrs. Quirk, Abbinante, Jewkes, Park and Ms. Meinhardt prior to the completion of the distribution.

OUR ARRANGEMENTS WITH FNF

Overview

Historically, FNF and its subsidiaries have provided a variety of services to us, and we have provided various services to FNF and its subsidiaries. These existing arrangements are described below under "Certain Relationships and Related Transactions — Historical Related-Party Transactions."

Below is a summary description of various new agreements that we will enter into with FNF and its subsidiaries in connection with the distribution. This description summarizes the material terms of these agreements, but is not complete. You should review the full text of these agreements, which will be filed with the Securities and Exchange Commission as exhibits to the registration statement of which this prospectus is a part.

Our Arrangements with FNF

The new agreements we will enter with FNF will include:

- the separation agreement;
- corporate services agreements;
- the new notes payable to FNF;
- a tax matters agreement;
- an employee matters agreement;
- a registration rights agreement;
- an intellectual property cross license agreement; and
- a sublease agreement.

The new agreements we will enter into with FIS are discussed separately below under "— Our Arrangements with FIS."

Separation Agreement

We will enter into a separation agreement with FNF prior to the completion of the distribution.

No Representations and Warranties. The separation agreement will provide that FNF will make no representation or warranty as to the condition or quality of any subsidiary contributed to us as part of the restructuring of FNF in connection with the distribution or any other matters relating to our businesses. We will have no recourse against FNF if the transfer of any subsidiary to us is defective in any manner. We will agree to bear the economic and legal risks that any conveyance was insufficient to vest in us good title, free and clear of any security interest, and that any necessary consents or approvals are not obtained or that any requirements of laws or judgments are not complied with.

Access to Financial and Other Information. Under the separation agreement, following the distribution, we and FNF will be obligated to provide each other access to certain information, subject to confidentiality obligations and other restrictions. So long as FNF is required to consolidate our results of operations and financial position or to account for its investment in our company on the equity method of accounting, we will provide to FNF and its independent auditors, at no charge, all financial information and other data that FNF requires in order to timely prepare its financial statements and reports or filings with governmental authorities or to issue its earnings releases, including copies of all quarterly and annual historical financial information and other reports and documents we intend to file with the Securities and Exchange Commission prior to these filings (as well as final copies upon filing), and copies of our budgets and financial projections as well as access to the responsible company personnel so that FNF and its independent auditors may conduct their audits relating to our financial statements. We will also agree that, so long as FNF is required to consolidate our results of operations and financial position or account for its investment in our company on the equity method of accounting, we will use our reasonable efforts to enable our independent auditors to complete their audit of our financial statements in a timely manner so as to permit the timely filing of FNF's financial statements. In addition, we and FNF will use reasonable efforts to make available to each other our respective past and present directors, officers, other employees and agents as witnesses in any legal, administrative or other proceedings in which the other party may become involved. We and FNF will each retain all proprietary information within each company's respective possession relating to our respective businesses for an agreed period of time and, prior to destroying the information, each of us must give the other notice and an opportunity to take possession of the information, if necessary or appropriate to the conduct of the respective businesses. We and FNF will each agree to hold in strict confidence all information concerning or belonging to the other for an agreed period of time.

Exchange of Other Information. The separation agreement will also provide for other arrangements with respect to the mutual sharing of information between us and FNF in order to comply with requirements imposed on the requesting party by any governmental authority, including any reporting, filing, audit, accounting, tax or similar requirements, for use in judicial proceedings, and in order to comply with our respective obligations following the completion of this offering. We will also agree to provide mutual access to historical records relating to businesses that may be in our possession.

Releases and Indemnification. Except for each party's obligations under the separation agreement, the other transaction documents and certain other specified liabilities, we and FNF will release and discharge each other and each of our affiliates from all liabilities existing or arising between us on or before the distribution, including in connection with the distribution and this offering. The release will not extend to obligations or liabilities under any agreements between FNF and us that remain in effect following the distribution.

We will indemnify, hold harmless and defend FNF, each of its affiliates and each of their respective directors, officers and employees, on an after-tax basis, from and against all liabilities relating to, arising out of or resulting from:

- the failure by us or any of our affiliates or any other person or entity to pay, perform or otherwise promptly discharge any liabilities or contractual obligations of our business, whether arising before or after the distribution;
- any guarantee, indemnification obligation, surety bond or other credit support arrangement by FNF or any of its affiliates for our benefit;
- any breach by us or any of our affiliates of the separation agreement, certain of the other transaction documents, any other agreement to which we or our affiliates are a party, our certificate of incorporation or by-laws or any law or regulation;
- any untrue statement of, or omission to state, a material fact in FNF's public filings to the extent it was as a result of information that we furnished to FNF or which FNF incorporated by reference from our public filings, if that statement or omission was made or occurred after the distribution;
- any untrue statement of, or omission to state, a material fact in any registration statement or prospectus we may prepare or any of our other public filings, except to the extent the statement was made or omitted in reliance upon information provided to us by FNF expressly for use in any registration statement or prospectus or information relating to and provided by any underwriter expressly for use in any registration statement or prospectus; and
- any actions or liability imposed by governmental authorities on our businesses.

FNF will indemnify, hold harmless and defend us, each of our affiliates and each of our and their respective directors, officers and employees, on an after-tax basis, from and against all liabilities relating to, arising out of or resulting from:

- the failure of FNF or any affiliate of FNF or any other person or entity to pay, perform or otherwise promptly discharge any liabilities of FNF or its affiliates other than liabilities of our businesses, whether arising before or after the distribution;
- any guarantee, indemnification obligation, surety bond or other credit support arrangement by us or any of our affiliates for the benefit of FNF;
- any breach by FNF or any of its affiliates of the separation agreement or certain of the other transaction documents, any other agreement to which FNF or its affiliates are a party, FNF's certificate of incorporation or bylaws, or any law or regulation;
- any untrue statement of, or omission to state, a material fact in our public filings to the extent it was as a result of information that FNF furnished to us or which we incorporated by reference from FNF's public filings;

- any untrue statement of, or omission to state, a material fact contained in any registration statement or prospectus we may prepare, but only to the extent the untrue statement or omission was made or omitted in reliance upon information provided by FNF expressly for use in any registration statement or prospectus;
- any actions or liability imposed by governmental authorities on FNF's business; and
- any action or liability arising as a result of the distribution.

The separation agreement will also specify procedures with respect to claims subject to indemnification and related matters and provide for contribution in the event that indemnification is not available to an indemnified party. All indemnification amounts will be reduced by any insurance proceeds and other offsetting amounts recovered by the party entitled to indemnification.

Covenants and Other Provisions. The separation agreement also will contain covenants between FNF and us with respect to various matters, including mutual confidentiality of our and FNF's information, and litigation and settlement cooperation between us and FNF on pending or future litigation matters. In addition, we will agree that, so long as FNF beneficially owns or controls 50% or more of our outstanding common stock, we will not, without FNF's prior consent:

- take any action or enter into any agreement that would cause FNF to violate any law, agreement or judgment;
- take any action that limits FNF's ability to freely sell, transfer, pledge or otherwise dispose of our stock;
- issue any shares of our capital stock or any rights, warrants or options to acquire our capital stock, if after giving effect to the issuances and considering all of the shares of our capital stock which may be acquired under the rights, warrants and options outstanding on the date of the issuance, FNF would own less than 50% of our outstanding capital stock which is entitled to vote generally in the election of directors; or
- enter into any agreement that binds or purports to bind FNF.

The separation agreement will also provide that any proposed intercompany transactions, including material amendments to the separation agreement and the other agreements related to the distribution, must be approved by a majority of our disinterested directors.

Expenses of the Distribution. In general, the separation agreement will provide that we will pay all costs incurred in connection with the distribution.

Dispute Resolution Procedures. The separation agreement will provide that neither party will commence any court action to resolve any dispute or claim arising out of or relating to the separation agreement. Instead, any dispute that is not resolved in the normal course of business will be submitted to senior executives of each business entity involved in the dispute for resolution. If the dispute is not resolved by negotiation within 30 days, either party may submit the dispute to mediation. If the dispute is not resolved by mediation within 30 days of the selection of a mediator, either party may submit the dispute to binding arbitration before an arbitrator. The arbitrator will determine the dispute in accordance with New York law. These dispute resolution procedures will not apply to any dispute or claim related to FNF's rights as a holder of our common stock and both parties will submit to the exclusive jurisdiction of the Delaware courts for resolution of these disputes. In addition, both parties will be permitted to seek injunctive or interim relief in the event of any actual or threatened breach of the provisions of the separation agreement relating to confidentiality. If an arbitral tribunal has not been appointed, both parties may seek injunctive or interim relief from any court with jurisdiction over the matter.

Termination. The separation agreement can be terminated only by the mutual consent of both parties.

FNF Corporate Services Agreements

We will enter into a corporate services agreement with FNF under which we will provide corporate and other support services to FNF. The corporate services agreement will govern the provision by us to FNF of these corporate support services, which may include:

- treasury, cash management and related services;
- accounting, billing and financial transaction support;
- tax services;
- corporate, legal and related services;
- risk management and corporate insurance;
- payroll and human resources and employee benefits administration;
- information technology, network systems, data processing and related services;
- purchasing and procurement;
- travel; and
- other general administrative and management functions.

We will also enter into a separate corporate services agreement with FNF, under which it will provide us senior management consulting services, including time and attention of its chief executive officer, chief financial officer, other senior officers, legal department and mergers and acquisitions staff.

We also will agree to provide each other additional services that we and FNF may identify during the term of the agreements.

Provision of Services. Under the terms of the corporate services agreements, each party will render these services under the oversight, supervision, and approval of the other, acting through its respective board of directors and officers. FNF and we will each have the right to purchase goods or services and realize other benefits and rights under the other party's agreements with third-party vendors to the extent allowed by those vendor agreements, during the term of the agreement.

Pricing and Payment Terms. The pricing for the services to be provided by us to FNF, and by FNF to us, under the corporate services agreements is on a cost-only basis, with each party in effect reimbursing the other for the costs and expenses incurred in providing these corporate services to the other party. Under the corporate service agreement for corporate services to be provided by us to FNF, our costs and expenses will be determined and reimbursed by FNF as follows: (i) all out of pocket expenses and costs incurred by us on FNF's behalf will be fully reimbursed, and (ii) all of our staff and employee costs and expenses associated with performing services under the corporate services agreement, including compensation paid to our employees performing these corporate services as well as general overhead associated with these employees and their functions, will be allocated based on the percentage of time that our employees spend on providing corporate services to FNF under the corporate services agreement. FNF's costs and expenses incurred in providing corporate services to us will be similarly determined and reimbursed. These costs and expenses will be invoiced by each party to the other on a monthly basis in arrears. Payments are expected to be made in cash within thirty days after invoicing.

For the year ended December 31, 2004, our expenses were reduced by $9.4 million related to the provision of these services by us to FNF and its subsidiaries (other than FIS). In addition, for 2004 our expenses included $3.2 million of costs associated with persons who will be FNF executives after the distribution but for whose time we will be charged after the distribution under the corporate services agreement pursuant to which FNF will provide services to us. While the exact amounts to be paid by FNF to us, and by us to FNF, under the corporate services agreements are dependent upon the amount of services actually provided in any given year, we do not anticipate that the level of services to be provided, or the total amounts to be paid by each entity to the other for services during the 2005 fiscal year, will differ materially from the total amounts recorded during the 2004 fiscal year for these corporate services. See “Certain Relationships and Related Transactions — Historical Related-Party Transactions — Corporate Services.”

Duration and Effect of Termination. The corporate services agreements will continue in effect as to each service covered by the agreements until the party receiving the services notifies the other party, in accordance with the terms and conditions set forth in the agreements and subject to certain limitations, that the service is no longer requested. However, if FNF ceases to own 50% or more of our voting stock or ceases to have 50% or more of the voting control for the election of our directors, then the corporate services agreements will terminate after six months. In addition, services to be provided to any subsidiary terminate on the date that the entity ceases to be a subsidiary of the party receiving the services. Under the corporate services agreements, if the party providing the services receives notice that the party receiving services would like to terminate a particular service, and the providing party believes in good faith that, notwithstanding its reasonable commercial efforts, the termination will have a material adverse impact on the other services being provided, then the party providing services can dispute the termination, with the dispute being resolved through the dispute resolution generally applicable to the agreements. When the agreements are terminated, FNF and we would arrange for alternate suppliers or hire additional employees for all the services important to our respective businesses. However, if we have to replicate facilities, services, or employees that we are not using full time, our costs could increase.

Liability and Indemnification. The corporate services agreements will provide that the provider of services will not be liable to the receiving party for or in connection with any services rendered or for any actions or inactions taken by a provider in connection with the provision of services, except to the extent of liabilities resulting from the provider’s gross negligence, willful misconduct, improper use or disclosure of customer information or violations of law and except for liabilities that arise out of intellectual property infringement. Additionally, the receiving party will indemnify the provider of services for any losses arising from the provision of services, provided that the amount of any losses will be reduced by the amount of the losses caused by the provider’s negligence, willful misconduct, violation of law, or breach of the agreement.

Dispute Resolution Procedures. The corporate services agreements will provide dispute resolution procedures that reflect the parties’ desire for friendly collaboration and amicable resolution of disagreements. In the event of a dispute, the matter is referred to the president (or similar position) of each of the divisions implicated for resolution within 15 days. If the division presidents of the parties are unable to resolve the dispute, the matter is referred to the presidents of FNF and our company for final resolution within 15 days. If the matter remains unresolved, then either party may submit the matter to arbitration. The dispute resolution procedures do not preclude either party from pursuing immediate injunctive relief in the event of any actual or threatened breach of confidentiality or infringement of intellectual property.

New Notes Payable to FNF

We intend to issue two $250 million intercompany notes payable to FNF, with terms that mirror FNF’s existing $250 million 7.30% public debentures due in August 2011 and $250 million 5.25% public debentures due in March 2013. Proceeds from the issuance of the 2011 public debentures were used by FNF to repay debt incurred in connection with the acquisition of our subsidiary, Chicago Title, and the proceeds from the 2013 public debentures were used for general corporate purposes. Following issuance of the intercompany notes, we may make an exchange offer in which we would offer to exchange the outstanding FNF notes for notes we would issue having substantially the same terms and deliver the FNF notes received to FNF to reduce the debt under the intercompany notes. See “— Liquidity and Capital Resources.”

Tax Matters Agreement

In connection with the distribution, we and FNF will enter into a tax matters agreement, which will govern the respective rights, responsibilities, and obligations of FNF and us after this offering with respect to tax liabilities and refunds, tax attributes, tax contests and other matters regarding income taxes, taxes other than income taxes and related tax returns. The tax matters agreement will govern these tax matters as they apply to us and to all of our subsidiaries other than our subsidiaries that are the title insurance companies. Our title insurance companies are parties to various tax sharing agreements with FNF. See “Certain Relationships and Related Transactions — Historical Related Party Transactions — Tax Sharing Agreements”.

Allocation of Tax Liability. The tax matters agreement will provide for the allocation and payment of taxes for periods during which we and FNF are included in the same consolidated group for federal income tax purposes or the same consolidated, combined or unitary returns for state tax purposes, the allocation of responsibility for the filing of tax returns, the conduct of tax audits and the handling of tax controversies, and various related matters. Under the tax matters agreement, FNF will be primarily responsible for preparing and filing any tax return with respect to the FNF affiliated group for U.S. federal income tax purposes and with respect to any consolidated, combined or unitary group of which FNF or any of its subsidiaries is the filing parent for U.S. state or local income tax purposes. We generally will be responsible for preparing and filing any federal tax returns that include only us and our subsidiaries and any U.S. state and local tax returns for which we or any of our subsidiaries is the filing parent. For periods during which we are included in FNF’s consolidated federal income tax returns or state consolidated, combined, or unitary tax returns, we generally will be required to pay an amount of income tax equal to the amount we would have paid had we filed tax returns as a separate entity. We will be responsible for our own separate tax liabilities that are not determined on a consolidated or combined basis. We will also be responsible in the future for any increases of consolidated tax liability of FNF that are attributable to us and will be entitled to refunds for reductions of tax liabilities attributable to us for prior periods. We will be included in FNF’s consolidated group for federal income tax purposes so long as FNF beneficially owns at least 80% of the total voting power and value of our outstanding common stock. Each corporation that is a member of a consolidated group during any portion of the group’s tax year is severally liable for the federal income tax liability of the group for that year. While the tax matters agreement will allocate tax liabilities between FNF and us, we could be liable in the event federal tax liability allocated to FNF is incurred but not paid by FNF or any other member of FNF’s consolidated group for FNF’s tax years that include these periods. In this event, we would be entitled to indemnification by FNF under the tax matters agreement.

Tax Disputes and Contests. Generally, for periods in which we are included in FNF’s consolidated federal income tax return, or state consolidated, combined, or unitary tax returns, we will control tax contests to the extent the underlying tax liabilities would be allocated to us under the tax matters agreement, and FNF will control all tax contests to the extent the underlying tax liabilities would be allocated to FNF under the tax matters agreement. We generally have authority to control tax contests with respect to tax returns that include only our subsidiaries and us. Disputes arising between us and FNF related to matters covered by the tax matters agreement are subject to resolution though specific dispute resolutions provisions described in the tax matters agreement.

Employee Matters Agreement

Historically, our employees have participated in various health, welfare, and retirement plans and programs sponsored by FNF. After the distribution, our employees will continue to participate in these FNF-sponsored plans through the operation of the employee matters agreement.

Specifically, under the employee matters agreement, our employees will continue to be eligible (subject to generally applicable plan limitations and eligibility conditions) to participate in FNF’s 401(k) plan and its health, dental, disability, and other welfare benefit plans. Our employees will administer the

FNF plans. Our employees' participation in FNF's plans will continue until it is determined that it would be beneficial for us to establish separate plans for our employees.

Under the employee matters agreement, as long as our employees participate in FNF's plans, we will be required to contribute to the plans the cost of our employees' participation in such plans. Such costs will include, for example, payment of 401(k) matching contributions for our employees and payment of the employer portion of the cost of health, dental, disability and other welfare benefits provided to our employees. Since our employees administer the plans, we will not be charged an administrative expense for participation.

Our contributions to FNF's plans for our employees during the 2004 fiscal year were $108.2. The contributions we will be required to make to FNF's plans in future years under the employee matters agreement depends on factors that we cannot predict with certainty at this point, such as the level of employee participation and the costs of providing health, dental and other benefits. Nevertheless, we do not anticipate that the contributions we will be required to make to the plans under the employee matters agreement will differ materially from the total amount we contributed for the 2004 fiscal year.

To the extent our employees hold FNF stock-based incentives, such as FNF stock options or restricted stock, related accounting charges under SFAS 123 or SFAS 123® will be allocated to us by treating any such accounting charges that are recognized by FNF as FNF contributions to our capital.

Registration Rights Agreement

Because FNF is not divesting itself of all of its shares of our common stock as part of the distribution, FNF would not be able to freely sell our shares without registration under the Securities Act of 1933 ("Securities Act") or a valid exemption therefrom. Accordingly, we will enter into a registration rights agreement with FNF requiring us, under certain circumstances, to register our shares beneficially owned by FNF following the distribution. These registration rights will generally become effective at the time of the distribution.

Demand Registration Rights. Under the registration rights agreement, FNF will have the right to require us to register for offer and sale all or a portion of our shares beneficially owned by FNF, which we refer to as a *demand registration.* The maximum number of demand registrations that we are required to effect is two per year and the number of shares to be registered in each demand registration must have an aggregate expected offering price of at least $25 million.

Piggy-Back Registration Rights. In addition, FNF will have the right, subject to certain conditions, which it may exercise at any time, to include its shares in any registration of common stock that we may make in the future, commonly referred to as a *piggy-back* registration right, if our registration would permit the inclusion.

Terms of Offering. FNF will have the right to designate the terms of each offering effected pursuant to a demand registration, which may take any form, including a shelf registration, a convertible registration or an exchange registration. We will agree to cooperate fully in connection with any registration for FNF's benefit and with any offering FNF makes under the registration rights agreement. We will also agree to pay for the costs and expenses related to shares sold by FNF in connection with any registration covered by the agreement, except that FNF will be responsible for any applicable registration or filing fees with respect to the shares being sold by FNF. The registration rights of FNF will be transferable by FNF and will be for an indefinite term. In addition, the registration rights agreement will contain indemnification and contribution provisions with respect to information included in any registration statement, prospectus or related documents.

Timing of Demand Registrations. We will not be required to undertake a demand registration within 90 days of the effective date of a previous demand registration, other than a demand registration that was effected as a shelf registration. In addition, we will generally have the right (which may be exercised once in any 12-month period) to postpone the filing or effectiveness of any demand registration for up to 90 days, if we determine that the registration would be reasonably expected to have a material adverse effect on any then-active proposals to engage in certain material transactions or would otherwise disadvantage us through premature disclosure of pending developments.

Duration. The registration rights under the registration rights agreement will remain in effect with respect to our shares until: (i) the shares have been sold pursuant to an effective registration statement under the Securities Act; (ii) the shares have been sold to the public pursuant to Rule 144 under the Securities Act (or any successor provision); (iii) the shares have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer have been delivered by us, and subsequent public distribution of the shares does not require registration or qualification under the Securities Act or any similar state law; (iv) the shares have ceased to be outstanding; or (v) in the case of shares held by a transferee of FNF, when the shares become eligible for sale pursuant to Rule 144(k) under the Securities Act (or any successor provision).

Intellectual Property Cross License Agreement

Historically, we and our subsidiaries were permitted, as subsidiaries of FNF, to utilize various trademarks, copyrights, trade secrets and know-how, patents and other intellectual property owned by FNF and its other subsidiaries but used by us in the conduct of our title insurance business. Likewise, FNF and its other subsidiaries were permitted to utilize various trademarks, copyrights, trade secrets and know-how, patents and other intellectual property owned by us and our subsidiaries but used by them in the conduct of their business. The intellectual property cross license agreement will permit each entity to continue to have access to those items of intellectual property that it does not own, but utilizes in the conduct of its business, so that each group can continue to grow and develop its respective businesses and markets after the distribution. This agreement will govern the respective responsibilities and obligations between us and FNF with respect to the applicable intellectual property. The intellectual property licensed by FNF to us will include the use of the name “Fidelity National” and the logo widely used by our company and our subsidiaries.

Terms of the Cross License. The intellectual property to be licensed by or to us, and by or to FNF, relates to a variety of aspects of the title insurance and other lines of business in which we and FNF and our respective subsidiaries are engaged. With respect to each item of intellectual property to be licensed, the party that owns the intellectual property as of the date of the distribution will continue to own the item, but will grant a broad license for use of the intellectual property item to the other party without giving up any ownership rights. Subject to certain limitations and early termination events (limited to bankruptcy, insolvency and the like, or if FNF ceases to own 50% or more of our voting stock or ceases to have 50% or more of the voting control for the election of our directors), the licenses are perpetual, irrevocable, and non-terminable. In addition, as to each item of intellectual property, the license to any subsidiary terminates on the date that the entity ceases to be a subsidiary of the party receiving the benefit of the license. The licenses are also non-exclusive and allow the licensing party to fully utilize its intellectual property, including the granting of licenses to third parties.

Pricing and Payment Terms. Given the nature of the intellectual property to be licensed and the historical relationship between the parties, we and FNF have determined that the licenses to each party should be royalty-free with the consideration for each party’s license of its intellectual property being the receipt of a license of the other’s intellectual property. As a result, no payments will be made to us or received by us under the intellectual property cross license agreement.

Sublease Agreement

We will enter into a sublease agreement pursuant to which we will sublease to FNF a portion of the space that we are leasing from a subsidiary of FIS. See ‘— Our Arrangements with FIS — Lease Agreement.” The sublease arrangement with FNF will continue until December 31, 2007, which is the date on which our lease with the FIS subsidiary expires by its terms.

Pricing and Payment Terms. Pursuant to the sublease agreement, FNF is obligated to pay rent for approximately square feet on terms and at rental rates that mirror our obligations under our lease agreement with the FIS subsidiary. This includes both the base rent amount as well as the additional rent required under our lease. If FNF fails to pay timely, a default rate applies. FNF is also responsible for the entire cost of any services or materials provided exclusively to FNF in connection with the sublease or the use of the space.

Our Arrangements with FIS

Overview

The agreements we will enter into with FIS and its subsidiaries will include:

- corporate services agreements;
- the starter repository and back plant access agreements;
- a lease agreement; and
- a master information technology agreement.

FIS Corporate Services Agreements

Through an assignment of FNF's rights and obligations under a corporate services agreement between FNF and FIS and a novation of that agreement, we will enter into a corporate services agreement with FIS under which we will provide corporate and other support services to FIS. The corporate services agreement will govern the provision by us to FIS of these corporate support services, which may include:

- treasury, cash management and related services;
- accounting, billing and financial transaction support;
- tax services;
- corporate, legal and related services;
- risk management and corporate insurance;
- payroll and human resources and employee benefits administration;
- information technology, network systems, data processing and related services;
- purchasing and procurement;
- travel; and
- other general administrative and management functions.

Through an assignment of FNF's rights and obligations under a "reverse" corporate services agreement between FNF and FIS and a novation of that agreement, we will also enter into a separate corporate services agreement with FIS, under which it will provide us with access to legal services and access to a mainframe computer system.

We also will agree to provide additional services that we and FIS may identify during the term of the agreement.

Provision of Services and Allocation of Costs. Under the corporate services agreement, each party will render services under the oversight, supervision, and approval of the other party, acting through its board of directors and officers. FIS and we will each have the right to purchase goods or services and realize other benefits and rights under the other party's agreements with third-party vendors to the extent allowed by those vendor agreements, during the term of the agreements.

Pricing and Payment Terms. The pricing for the services to be provided by us to FIS, and by FIS to us, under the corporate services agreements is on a cost-only basis, with each party in effect reimbursing the other for the costs and expenses incurred in providing these corporate services to the other party subject to the limitation described below. Under the corporate service agreement for corporate services to be provided by us to FIS, our costs and expenses will be determined and reimbursed by FIS as follows: (i) all out of pocket expenses and costs incurred by us on FIS's behalf will be fully reimbursed, and (ii) all of our staff and employee costs and expenses associated with performing services under the corporate services agreement, including compensation paid to our employees performing these corporate services as well as general overhead associated with these employees and their functions, will be allocated based on the percentage of time that our employees spend on providing corporate services to FIS under the corporate services agreement. FIS's costs and expenses incurred in providing corporate services to us will be similarly determined and reimbursed. In the case of the agreement for corporate services to be provided by us to FIS, the total amount (with some exclusions) payable under the corporate services agreement cannot exceed $50 million during the 2005 fiscal year, with incremental increases to this maximum amount in future fiscal years. We are not entitled to be reimbursed for any portion of our annual costs that exceeds this $50 million limit, as increased from year to year. The costs and expenses under the corporate services agreements will be invoiced by each party to the other on a monthly basis in arrears, and payments are expected to be made in cash within thirty days after invoicing.

During 2004 our expenses were reduced by $75.1 million related to the provision of these corporate services by us to FIS and our expenses were increased by $78,000 related to the provision of these corporate services from FIS to us. The exact amounts to be paid by FIS to us, and by us to FIS, under the corporate services agreements is dependent upon the amount of services actually provided in any given year. However, because the 2004 aggregate amount paid by FIS included some extraordinary charges we anticipate that the aggregate amount payable by FIS to us during the 2005 fiscal year pursuant to the corporate services agreement will not exceed the $50 million maximum amount provided in the corporate services agreement. See “Certain Relationships and Related Transactions — Historical Related Party Transactions — Corporate Services.”

Duration and Effect of Termination. The corporate services agreements continue in effect as to each service covered by the agreements until the party receiving the services notifies the other party, in accordance with the terms and conditions set forth in the agreements and subject to certain limitations, that the service is no longer requested. However, the corporate services agreements will terminate after six months from the occurrence of certain specified material events, such as a change of control of FIS, or the completion of an initial public offering of stock by FIS or its subsidiaries. In addition, services to be provided to any subsidiary will terminate on the date that the entity ceases to be a subsidiary of the party receiving the services. Under the corporate services agreements, if the party providing the services receives notice that the party receiving services would like to terminate a particular service, and the providing party believes in good faith that, notwithstanding its reasonable commercial efforts, the termination will have a material adverse impact on the other services being provided, then the party providing services can dispute the termination, with the dispute being resolved through the dispute resolution generally applicable to the agreement. Further, in the event that the party receiving the services is unable to complete its transition efforts prior to the termination date established for any particular corporate service, the party receiving the services can extend the termination date for up to 30 additional days.

Liability and Indemnification. The corporate services agreements provide that the provider of services will not be liable to the receiving party for or in connection with any services rendered or for any actions or inactions taken by a provider in connection with the provision of services, except to the extent of liabilities resulting from the provider's gross negligence, willful misconduct, improper use or disclosure of customer information or violations of law and except for liabilities that arise out of intellectual property infringement. Additionally, the receiving party will indemnify the provider of services for any losses arising from the provision of services, provided that the amount of any losses will be reduced by the amount of the losses caused by the provider's negligence, willful misconduct, violation of law, or breach of the agreement.

Dispute Resolution Procedures. The agreements provide dispute resolution procedures that reflect the parties' desire for friendly collaboration and amicable resolution of disagreements. In the event of a dispute, the matter is referred to the president (or similar position) of each of the divisions implicated for resolution within 15 days. If the division presidents of the parties are unable to resolve the dispute, the matter is referred to the presidents of FIS and our company for final resolution within 15 days. If the matter remains unresolved, then either party may submit the matter to arbitration. The dispute resolution procedures do not preclude either party from pursuing immediate injunctive relief in the event of any actual or threatened breach of confidentiality or infringement of intellectual property.

FNF Starter Repository and Back Plant Access Agreements

Through an assignment by FNF to us of its rights and obligations under agreements between FNF and FIS and a novation of those agreements, we will enter into agreements with FIS whereby certain FIS subsidiaries will be able to access and use certain title records owned by our title company subsidiaries. The FIS subsidiaries covered by the agreement will be granted access to (i) the database of previously issued title policies, (the “starter repository”), and (ii) certain other physical title records and information, (the “back plant”), and will be permitted to use the retrieved information solely in connection with the issuance of title insurance products that FIS offers as part of its business. The FIS subsidiaries that are covered by the agreement may create proprietary means of technical access to the starter repository, but this does not apply to the back plant since the back plant consists of physical documents and records that cannot be accessed electronically. Our applicable title company subsidiaries retain ownership of the starter repository, the back plant and all related programs, databases, and materials. FIS will pay fees to us for the access to the starter repository and the back plant and will reimburse our subsidiaries for payment of certain taxes and government charges. FIS will also indemnify us for third party claims arising from any errors or omissions in the starter repository and the back plant or the provision of access under the agreements. In addition, FIS is responsible for costs incurred as a result of unauthorized access to the database and records. With regard to dispute resolution, if either FIS or we institutes an action against the other party for breach, such other party has the option, within 30 days of the notice of such action, to institute an arbitration proceeding and stay the other action.

Duration and Termination. Each of the starter repository agreement and the back plant agreement are effective for a ten year period, with automatic renewal, and may be terminated by mutual agreement of the parties or upon five years’ prior written notice, except in the case of a default in performance, in which case the agreement may be terminated immediately if the default is not cured within 30 days after notice (with provisions that permit an extension of the 30-day cure period under certain circumstances). In addition, each of these agreements may be terminated in the event of a change of control of either FIS or us.

Lease Agreement

Through an assignment of FNF’s rights and obligations under a lease agreement between FNF and a subsidiary of FIS, and a novation of that agreement, we will enter into a lease agreement pursuant to which we will lease from a subsidiary of FIS certain portions of FIS’ Jacksonville, Florida headquarters building. This lease arrangement will continue until December 31, 2007. Lease terms will be commensurate with those found in the local real estate market.

Pricing and Payment Terms. Under the lease, FNT is obligated to pay base rent for approximately 121,000 square feet at an annual rate of $23.05 per rentable square foot, in equal monthly installments paid in advance on the first day of each calendar month. If FNT fails to pay timely, a default rate applies. In addition to paying base rent, for each calendar year commencing with calendar year 2005, FNT will be obligated to pay, as additional rent, FNT’s share of the landlord’s reasonable estimate of operating expenses for the entire facility that are in excess of the operating expenses (subject to certain exclusions) applicable to the 2005 base year. FNT is also liable to the landlord for its entire cost of providing any services or materials exclusively to FNT. FNT does not anticipate requesting any exclusive services from the landlord, in its capacity as landlord, during calendar years 2006 or 2007.

The amount allocated to us for office space costs at the FIS Jacksonville, Florida headquarters building for the portion of the buildings utilized by us and our subsidiaries during 2004 was $2.8 million.

While the exact amount of rent to be paid by us under the lease agreement is dependent upon the aggregate excess operating costs incurred for the entire facility, we do not anticipate that the total amount to be paid by us under the lease agreement during the 2005 fiscal year will differ materially from the total amount allocated to us during the 2004 fiscal year for the office space at the Jacksonville, Florida building utilized by us and our subsidiaries.

Master Information Technology Services Agreement

Through an assignment by FNF to us of its rights and obligations under a master information technology services agreement between FNF and FIS and a novation of that agreement, we will enter into a master services agreement with FIS, pursuant to which FIS and its subsidiaries will provide various services to FNT and its affiliates, most of which services are similar in nature to the services that FIS has historically provided to us and to FNF, such as IT infrastructure support, data center management and software sales. Moreover, under the master services agreement, we have designated certain services as high priority critical services required for our business. These include: managed operations, network, email/messaging, network routing, technology center infrastructure, active directory and domains, systems perimeter security, data security, disaster recovery and business continuity. FIS has agreed to use reasonable best efforts to provide these core services without interruption throughout the term of the master services agreement, except for scheduled maintenance.

Terms of Provision. The master information technology services agreement sets forth the specific services to be provided and provides for statements of work and amendment as necessary. FIS may provide the services itself or through one or more subcontractors that are approved by us, but it is fully responsible for compliance by each subcontractor with the terms of the master information technology services agreement.

The master information technology services agreement includes, as part of the agreement, various base services agreements, each of which includes a specific description of the service to be performed as well as the terms, conditions, responsibilities and delivery schedules that apply to a particular service. Any new terms, conditions, responsibilities and delivery schedules that may be agreed to by the parties during the term of the agreement will be added as part of one of the base services agreements or the master information technology services agreement itself. We can also request services that are not specified in the agreement. These additional services will be provided on terms that we propose to FIS and, if we can agree on the terms, a new statement of work or amendment will be executed. In addition, if requested by us, FIS will continue to provide, for an appropriate fee, services to us that are not specifically included in the master information technology services agreement if those services were provided to us by FIS or its subcontractors in the past.

The master information technology services agreement provides for specified levels of service for each of the services to be provided, including any additional services that FIS agrees to perform pursuant to amendments to the agreement or additional statements of work. If FIS fails to provide service in accordance with the applicable service levels, then FIS is required to correct its failure as promptly as possible (and in any event, within five days of the failure recognition) at no cost to us. FIS is also required to use reasonable efforts to continuously improve the quality and efficiency of its performance. If either FIS or we find that the level of service for any particular service is inappropriate, ineffective or irrelevant, then the parties may review the service level and, upon agreement, adjust the level of service accordingly. We are permitted to audit FIS’s operations, procedures, policies and service levels as they apply to the services under the agreement. In addition, at least every year during the term of the master information technology services agreement, FIS will conduct a customer satisfaction survey.

FIS may provide the services under the master information technology services agreement from one or more of its technology centers or other data centers that it designates within the United States. FIS must also maintain and enforce safety and security procedures that are at least equal to industry standards and are as rigorous as those in effect on the effective date of the agreement. The agreement contains provisions regarding privacy and confidentiality and requires each of the parties to use at least the same standard of care in the protection of confidential information of the other party as it uses in the protection of its own confidential or proprietary information.

Pricing and Payment Terms. Under the master information technology services agreement, we are obligated to pay FIS for the services that we and our subsidiaries utilize, calculated under a specific and comprehensive pricing schedule negotiated on an arms-length basis. Although the pricing includes some minimum usage charges, most of the service charges are based on volume and actual usage, specifically related to the particular service and support provided by FIS and the complexity of the technical analysis and technology support provided by FIS. The amount included in our expenses for information technology services received from FIS during the 2004 fiscal year was $56.6 million. While the exact amounts to be paid by us to FIS under the master information technology services agreement are dependent upon the actual usage and volume of services performed by FIS for us, we do not anticipate that the total amount to be paid by us to FIS under the master information technology services agreement during the 2005 fiscal year will differ materially from the amounts paid by us to FIS during the 2004 fiscal year for these information technology services. See “Certain Relationships and Related Transactions — Historical Related-Party Transactions — IT Services.”

Duration and Effect of Termination. The master information technology services agreement will be effective for a term of five years unless earlier terminated in accordance with its terms. We will have the right to renew the agreement for a single one-year period or a single two-year period, by providing a written notice of our intent to renew at least six months prior to the expiration date. Upon receipt of a renewal notice, the parties will begin discussions regarding the terms and conditions that will apply for the renewal period, and if the parties have not reached agreement on the terms by the time the renewal period commences, then the agreement will be renewed for only one year on the terms as in effect at the expiration of the initial term. We may also terminate the master information technology services agreement or any particular statement of work or base services agreement on six months’ prior written notice. In addition, if either party fails to perform its obligations under the master information technology services agreement, the other party may terminate after the expiration of certain cure periods. We may also terminate the agreement if there is a change in our ownership or control, as more fully defined by the terms of the services agreement.

Dispute Resolution Procedures. Disputes, controversies and claims under the master information technology services agreement will be referred to a management committee that includes representatives from both parties. If the management committee is unable to resolve the issue, the agreement sets forth a procedure by which the issue is referred to and reviewed by increasingly senior members of our management and FIS’s management. If our senior management cannot resolve the issues with FIS’s senior management, then the dispute is referred to an independent arbitrator for resolution. However, we are required to continue to provide services during the period of any dispute or dispute resolution process.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Historical Related-Party Transactions

Corporate Services

Our results for 2004 and 2003 include allocations to FNF and FIS relating to the provision by us of corporate services to FNF and to FIS and its subsidiaries. These corporate services include accounting, internal audit and treasury, payroll, human resources, tax, legal, purchasing, risk management, travel, mergers & acquisitions, and general management. For the years ended December 31, 2004, 2003 and 2002, our expenses were reduced by $9.4 million, $9.2 million and $7.0 million, respectively, related to the provision of these corporate services by us to FNF and its subsidiaries (other than FIS and its subsidiaries). For the years ended December 31, 2004, 2003 and 2002, our expenses were reduced by $75.1 million, $39.5 million and $21.6 million, respectively, related to the provision of these corporate services by us to FIS and its subsidiaries. As described in “Our Arrangements with FNF,” prior to the distribution we will enter into agreements with FNF and FIS relating to the provision of corporate services following the distribution.

IT Services

Included in our expenses for 2004 and 2003 are amounts paid to a subsidiary of FIS for the provision by FIS to us of IT infrastructure support, data center management and related IT support services. For 2004 and 2003, the amounts included in our expenses to FIS for these services were $56.6 million and $12.4 million respectively. Prior to September 2003, we performed these services ourselves and provided them to FIS. During 2003 and 2002, we received payments from FIS of $5.4 million and $5.8 million relating to these services that offset our other operating expenses. As described in "Our Arrangements with FNF," prior to the distribution we will enter into an agreement with FIS relating to the provision of these IT-related services following the distribution.

Lease

Included in our expenses for 2004 and 2003 are $2.8 million and $0.5 million, respectively, of rent expense paid to FIS for our corporate headquarters. We will enter into a lease agreement with FIS covering our rental of this space following the distribution. See "Our Arrangements with FNF."

Real Estate Information

We also do business with additional entities within the information services segment of FIS that provide real estate information to our operations. We recorded expenses of $9.9 million, $11.4 million and $3.7 million in 2004, 2003 and 2002, respectively.

Agency Agreements

In connection with the transactions that established FIS, our subsidiaries, Chicago Title Insurance Company ("CTI"), a Missouri-domiciled title insurer, and Fidelity National Title Insurance Company ("FNTIC"), a California-domiciled title insurer, each entered in issuing agency contracts with five subsidiaries of FIS. Under these issuing agency contracts, the FIS subsidiaries act as title agents for CTI and FNTIC in various jurisdictions.

Under the issuing agency contracts, the title agency appointments of the FIS subsidiaries are not exclusive and CTI and FNTIC each retain the ability to appoint other title agents and to issue title insurance directly. In addition, the issuance of all title insurance for which the FIS subsidiaries are the agents is subject to the terms set forth in the issuing agency contracts. We believe that rates, duties, liability and indemnification provisions comport with the terms and conditions generally applicable in similar arrangements between non-affiliated parties in the title industry.

Subject to certain early termination provisions for cause, each of these agreements may be terminated upon five years' prior written notice, which notice may not be given until after the fifth anniversary of the effective date of the agreement (thus effectively resulting in a minimum ten year term).

Prior to entering into these issuing agency contracts, these agency operations were conducted as divisions of certain of our title insurers. Our financial statements reflect amounts earned by and charged to us as a result of these arrangements. For the years ended December 31, 2004, 2003 and 2002, our financial statements reflect $106.3 million, $284.9 million and $53.0 million, respectively, of agency title premiums generated by these operations, and related commissions paid of $93.6 million, $250.7 million and $46.7 million, respectively, representing a commission rate of 88% of premiums earned.

Cost Sharing Agreement

Our subsidiary CTI is a party to a transitional cost sharing agreement effective as of March 4, 2005 with certain subsidiaries of FIS that are engaged in the lenders services business, including providing appraisal, title and closing services to residential mortgage originators and providing automated loan servicing (the “lenders services business”). Pursuant to this cost sharing agreement, CTI agrees to share certain costs and facilities relating to these lenders services businesses with various FIS subsidiaries. The costs shared include costs of the employees performing the services related to these businesses as well as the costs and expenses related to various facilities such as data processing, equipment, business property and communication equipment. The cost sharing agreement will terminate (i) as to all parties, upon the transfer of a particular company that is not part of our company from FNF to FIS, which transfer is contingent upon receipt of certain regulatory approvals, or (ii) as to CTI, at such time as various subsidiaries of FIS obtain the licenses necessary to enable them to operate all aspects of the lenders services business. Amounts paid to FIS under this arrangement were $2.6 million in the first six months of 2005.

Agreements relating to Title Information

We are party to several agreements with subsidiaries of FIS that relate to the maintenance or management of our title plants and the use of those title plants. These agreements are described below.

Title Plant Maintenance Agreement and Master Title Plant Access Agreement

Certain of our title insurance company subsidiaries have entered into a title plant maintenance agreement with Property Insight, LLC (“Property Insight”), a subsidiary of FIS. In connection therewith, one of our subsidiaries has also entered into a master title plant access agreement with Property Insight.

Pursuant to the title plant maintenance agreement, Property Insight manages certain title plant assets of these title insurance company subsidiaries. These management services include keeping the title plant assets current and functioning on a daily basis. Property Insight’s management services also include updating, compiling, extracting, manipulating, purging, storing and processing title plant data so that the title plant database is current, accurate and accessible, through an efficient and organized access system. In performing these functions, Property Insight may make use of the software systems licensed to it from these subsidiaries, but it may also utilize proprietary systems, software, technologies and methodologies that have been developed, or will be developed, by Property Insight. We have no ownership or other right or title to these proprietary systems and methodologies (except in certain limited circumstances in the event of a termination of a title plant maintenance agreement, as a result of a default by, or termination by, Property Insight). Property Insight may also use these proprietary systems and methodologies in the title plant management services it may provide to other third party customers. In exchange for its management services, Property Insight has perpetual, irrevocable, transferable and nonexclusive worldwide licensed access to the title plants owned by these subsidiaries, together with certain software relating thereto, and it is able to sell this title plant access to third party customers and earn all revenue generated from the use of those assets by third party customers. In addition, Property Insight earns fees from providing access to updated and organized title plant databases to our subsidiaries through the master title plant access agreement described below. In consideration for the licensed access to the title plants and related software, Property Insight must pay a royalty to each of our title insurance company subsidiaries who are parties to the title plant maintenance agreement, in an amount equal to 2.5% to 3.75% of the revenues generated from the licensed access to the title plants and related software that the title insurance company subsidiary owns.

Pursuant to the master title plant access agreement, our subsidiaries have access to all title plants to which Property Insight has access or right to access, including the title plants owned by certain of our subsidiaries. In consideration for this access and use, our subsidiaries pay access fees to Property Insight.

Under the title plant maintenance agreement, Property Insight has no liability to our subsidiaries who are parties to the title plant maintenance agreement for any error in the information provided in the performance of its services, except in the event of Property Insight’s gross negligence or willful misconduct. Property Insight accepts no liability under the master title plant access agreement for any errors in the title plant information.

The title plant maintenance agreement is effective for a ten year period, with automatic renewal, and may be terminated by mutual agreement of the parties or upon five years’ prior written notice, except in the case of a default in performance, in which case the agreement may be terminated immediately if the default is not cured within 30 days after notice (with provisions that permit an extension of the 30-day cure period under certain circumstances). In addition, the title plant maintenance agreement may be terminated in the event of a change of control of either Property Insight or our subsidiaries who are parties to the title plant maintenance agreement. So long as Property Insight does not cause the termination of a title plant maintenance agreement (either through notice of termination or by defaulting on its obligations or otherwise), Property Insight will retain a copy of the title plant database and related software as well as the right to use the software and sell access to the title plant database to third party customers. The termination provisions of the master title plant access agreement are in general similar to those of the title plant maintenance agreement.

The foregoing agreements became effective in March 2005. Prior to that time, Property Insight was a division of our company. When FIS was established, the assets, liabilities and operations of Property Insight were transferred to FIS. For 2004, 2003 and 2002, our payments to FIS under these arrangements were $28.9 million, $28.2 million and $24.3 million, respectively. For 2004 revenues from the royalty payable by FIS were $0.3 million. For the six months ended June 30, 2005, the revenues from the royalty payable by FIS were $1.4 million.

Title Plant Management Agreement

We have entered into a management agreement effective as of May , 2005 with Property Insight, pursuant to which Property Insight manages title plant assets for one of our subsidiaries, Ticor Title Insurance Company of Florida ("Ticor-FL"). These management services include overseeing and supervising the title plant maintenance process (such as updating and purging), but do not include full responsibility for keeping the title plant assets current and functioning on a daily basis. Ticor-FL maintains all ownership rights over the title plants and its proprietary systems and methodologies used in the title plant maintenance process. Under this agreement, Property Insight's use of these proprietary systems and methodologies and access to Ticor-FL's title plants is limited to use and access necessary to perform its management obligations under the agreement. Property Insight is paid a management fee equal to 20% of the actual costs incurred by Ticor-FL for maintaining its title plants.

Under the title plant management agreement, Property Insight has no liability to the Ticor-FL in the performance of its services, except in the event of Property Insight's gross negligence or willful misconduct.

The title plant management agreement is effective for a ten year period, with automatic renewal, and may be terminated by mutual agreement of the parties or upon five years' prior written notice, except in the case of a default in performance, in which case the agreement may be terminated immediately if the default is not cured within 30 days after notice (with provisions that permit an extension of the 30-day cure period under certain circumstances). In addition, the title plant management agreement may be terminated in the event of a change of control of either Property Insight or Ticor-FL.

Tax Sharing Agreements.

FNF and each of our title insurance subsidiaries are parties to various tax sharing agreements, which govern the respective rights, responsibilities, and obligations of FNF and those subsidiaries with respect to tax liabilities and refunds, tax attributes, other matters regarding income taxes and related tax returns. These tax sharing agreements have been in effect for varying periods of time prior to the distribution and have been filed with the respective insurance regulators of the title insurance subsidiaries.

Allocation of Tax Liability. The tax sharing agreements generally provide for the allocation and payment of taxes for periods during which the respective title insurance subsidiaries and FNF are included in the same consolidated group for federal income tax purposes or the same consolidated, combined or unitary returns for state tax purposes. For periods during which the respective title insurance subsidiaries are included in FNF's consolidated federal income tax returns or state consolidated, combined, or unitary tax returns, each of the title insurance subsidiaries generally is required to pay an amount of income tax equal to the amount it would have paid had it filed tax returns as a separate entity. Each title insurance subsidiary is also responsible in the future for any increases of consolidated tax liability of FNF that are attributable to the title insurance subsidiary and will be entitled to refunds for reductions of tax liabilities attributable to it for prior periods. Each title insurance subsidiary will be included in FNF's consolidated group for federal income tax purposes so long as FNF beneficially owns, directly or indirectly, at least 80% of the total voting power and value of the title insurance subsidiary's outstanding common stock. Each corporation that is a member of a consolidated group during any portion of the group's tax year is severally liable for the federal income tax liability of the group for that year. As a result, the title insurance subsidiaries could be liable in the event federal tax liability allocated to FNF is incurred but not paid by FNF or any other member of FNF's consolidated group for FNF's tax years that include these periods.

Software License Agreements

Certain FIS subsidiaries have licensed proprietary software and provide maintenance services to certain of our subsidiaries for annual fees under individual license agreements. Our expenses for these items were $5.8 million, $2.6 million and $1.3 million in 2004, 2003 and 2002, respectively.

Equipment Leases

We lease certain business equipment to FIS. Our revenues from these leases were $8.4 million, $7.3 million and $6.7 million in 2004, 2003 and 2002, respectively.

Master Loan Agreement

We are parties to a master loan agreement under which our title insurance subsidiaries have made certain loans to FNF. These loans are evidenced by notes that amounted to $22.8 million at December 31, 2004. The notes amortize in equal principal amounts annually with final maturity in 2010 and bear interest at a variable rate that at December 31, 2004 was equal to 2.66%. We have no commitment to make further loans under this arrangement.

Cross Conveyance and Joint Ownership and Development Agreements

One of our subsidiaries is a party to a joint development agreement with an FIS subsidiary whereby the FIS subsidiary provides development services for proprietary software to be used in connection with the title plants owned by our title insurance subsidiaries. Upon delivery by the FIS subsidiary of software that meets acceptance criteria, both parties will jointly own the developed software.

One of our subsidiaries is a party to a joint ownership agreement with an FIS subsidiary whereby the parties have conveyed their respective interests in certain proprietary software such that both parties are the joint owners of the software. The parties have also entered into a development agreement to further develop the jointly owned software.

OWNERSHIP OF COMMON STOCK

Prior to the completion of this distribution, all shares of our common stock were owned by FNF. Upon the completion of this distribution, FNF will beneficially own approximately 82.5% of our outstanding common stock in the form of 100% of our Class B Common Stock.

Except for FNF, no person will beneficially own any of our outstanding common stock prior to completion of this distribution, and we are not aware of any person other than FNF who will beneficially own 5% or more of our common stock upon completion of this distribution. Our directors and officers do not currently own any of our common stock, although they will receive options to purchase shares upon the completion of the distribution. Further, in the event of the distribution those who own shares of FNF common stock will be treated on the same terms as any other holders of FNF common stock. See "Management — Stock Ownership of Directors and Executive Officers" for information about the ownership of FNF common stock by our directors and executive officers.

DESCRIPTION OF CAPITAL STOCK

The following description of select provisions of our certificate of incorporation, our bylaws, and of the Delaware General Corporation Law is necessarily general and does not purport to be complete. This summary is qualified in its entirety by reference in each case to the applicable provisions of our certificate of incorporation and bylaws, which are filed as exhibits to our registration statement of which this prospectus forms a part, and to the provisions of Delaware law.

General

Our authorized capital stock will consist of 200 million shares of Class A Common Stock, 200 million shares of Class B Common Stock and 50 million shares of preferred stock. Immediately after the completion of this distribution, shares of Class A Common Stock will be outstanding and shares of Class B Common Stock will be outstanding.

Common Stock

Holders of our common stock are entitled to receive such dividends as may be declared by our board of directors out of funds legally available therefor. See "Dividend Policy." Holders of our Class A Common Stock are entitled to one vote per share on all matters on which the holders of common stock are entitled to vote. Holders of Class B Common Stock will be entitled to ten votes per share of Class B Common Stock held. Neither our Class A Common Stock nor our Class B Common Stock will entitle its holders to cumulative voting rights. In the event of our liquidation or dissolution, holders of our common stock would be entitled to share equally and ratably in our assets, if any, remaining after the payment of all liabilities and the liquidation preference of any outstanding class or series of preferred stock. The shares of common stock issued by us in the distribution will be fully paid and nonassessable. The rights and privileges of holders of our common stock are subject to the rights and preferences of the holders of any series of preferred stock that we may issue in the future, as described below.

Class B Common Stock

The Class A Common Stock and Class B Common Stock have identical rights and privileges, except with regard to voting rights as described above and the following conversion provisions. The Class B Common Stock will be convertible into shares of Class A Common Stock at a one-to-one conversion ratio as follows:

- the holder of any share of Class B Common Stock may elect at any time, and at such holder's sole option, to convert such share into one fully paid and nonassessable share of Class A Common Stock;
- if at any time FNF and its affiliates collectively own less than 40% of the total number of issued and outstanding shares of capital stock of FNT, each issued and outstanding share of Class B Common Stock will automatically be converted into one share of Class A Common Stock; and
- upon the transfer of any share of Class B Common Stock to a person other than FNF or an affiliate of FNF (excluding certain permitted transfers), such share will automatically be converted into one fully paid and nonassessable share of Class A Common Stock.

Notwithstanding the foregoing, FNF may transfer shares of Class B Common Stock (without conversion into Class A Common Stock) if such transfer is effected as part of a distribution by FNF of shares of Class B Common Stock to its shareholders in a tax-free "spinoff" under Section 355(a) of the Internal Revenue Code of 1986, as amended, and any subsequent transfer of such shares will not cause such shares to convert into Class A Common Stock.

Authorized Preferred Stock

Subject to the approval by holders of shares of any class or series of preferred stock, to the extent such approval is required, our board of directors will have the authority following the distribution to issue preferred stock in one or more series and to fix the number of shares constituting any such series and the designations, powers, preferences, limitations and relative rights, including dividend rights, dividend rate, voting rights, terms of redemption, redemption price or prices, conversion rights and liquidation preferences of the shares constituting any series, without any further vote or action by stockholders.

Certain Provisions of our Certificate of Incorporation, Bylaws and Delaware Law

A number of provisions of our certificate of incorporation and our bylaws deal with matters of corporate governance and the rights of stockholders. The following discussion is a general summary of select provisions of our certificate of incorporation, our bylaws and certain Delaware laws that might be deemed to have a potential "anti-takeover" effect. These provisions may have the effect of discouraging a future takeover attempt which is not approved by our board of directors but which individual stockholders may deem to be in their best interest or in which stockholders may be offered a substantial premium for their shares over then current market prices. As a result, stockholders who might desire to participate in such a transaction may not have an opportunity to do so. Such provisions will also render the removal of the incumbent board of directors or management more difficult.

Common Stock. Our unissued shares of authorized Class A and Class B Common Stock will be available for future issuance without additional stockholder approval. While the authorized but unissued shares are not designed to deter or prevent a change of control, under some circumstances we could use the authorized but unissued shares to create voting impediments or to frustrate persons seeking to effect a takeover or otherwise gain control by, for example, issuing those shares in private placements to purchasers who might side with our board of directors in opposing a hostile takeover bid.

Preferred Stock. The existence of authorized but unissued preferred stock could reduce our attractiveness as a target for an unsolicited takeover bid since we could, for example, issue shares of the preferred stock to parties that might oppose such a takeover bid or issue shares of the preferred stock containing terms the potential acquiror may find unattractive. This ability may have the effect of delaying or preventing a change of control, may discourage bids for our common stock at a premium over the market price of our common stock, and may adversely affect the market price of, and the voting and the other rights of the holders of, our common stock.

Classified Board of Directors and Related Provisions. Our certificate of incorporation provides that our board of directors must be divided into three classes of directors (each class containing approximately one-third of the total number of directors) serving staggered three-year terms. As a result, approximately one-third of our board of directors will be elected each year. This classified board provision will prevent a third party who acquires control of a majority of our outstanding voting stock from obtaining control of our board of directors until the second annual stockholders meeting following the date the acquiror obtains the controlling interest. The number of directors constituting our board of directors is determined from time to time by our board of directors. Our certificate of incorporation also provides that directors may be removed only for "cause" by the affirmative vote of the holders of a majority of all outstanding voting stock entitled to vote. This provision, in conjunction with the provisions of our certificate of incorporation authorizing our board of directors to fill vacancies on the board, will prevent stockholders from removing incumbent directors without cause and filling the resulting vacancies with their own nominees.

No Stockholder Action by Written Consent; Special Meetings. Our certificate of incorporation permits our stockholders to act by written consent without a meeting as long as FNF owns more than 50% of our voting stock. Once FNF ceases to own that percentage of our voting stock, our certificate of incorporation provides that stockholder action can be taken only at an annual or special meeting of stockholders and cannot be taken by written consent in lieu of a meeting. Our certificate of incorporation also provides that, except as otherwise required by law, special meetings of the stockholders can only be called by a majority of our entire board of directors or our chief executive officer. Stockholders may not call a special meeting or require that our board of directors call a special meeting of stockholders.

Advance Notice Requirements for Stockholder Proposals and Director Nominees. Our bylaws provide that, if one of our stockholders desires to submit a proposal or nominate persons for election as directors at an annual stockholders' meeting, the stockholder's written notice must be received by us not less than 120 days prior to the anniversary date of the date of the proxy statement for the immediately preceding annual meeting of stockholders. However, if the annual meeting is called for a date that is not within 30 days before or after such anniversary date, notice by a stockholder must be received by us not later than the close of business on the 10th day following the day on which public disclosure of the date of the annual meeting was made. The notice must describe the proposal or nomination and set forth the name and address of, and stock held of record and beneficially by, the stockholder. Notices of stockholder proposals or nominations must set forth the reasons for the proposal or nomination and any material interest of the stockholder in the proposal or nomination and a representation that the stockholder intends to appear in person or by proxy at the annual meeting. Director nomination notices must set forth the name and address of the nominee, arrangements between the stockholder and the nominee and other information required under Regulation 14A of the Exchange Act. The presiding officer of the meeting may refuse to acknowledge a proposal or nomination not made in compliance with the procedures contained in our bylaws. The advance notice requirements regulating stockholder nominations and proposals may have the effect of precluding a contest for the election of directors or the introduction of a stockholder proposal if the requisite procedures are not followed and may discourage or deter a third-party from conducting a solicitation of proxies to elect its own slate of directors or to introduce a proposal.

Voting Requirements on Amending our Certificate of Incorporation or Bylaws. Our certificate of incorporation and our bylaws provide that amendments to certain provisions of our bylaws, including those related to stockholder proposals and calling special meetings of stockholders, must be approved by both our board of directors and by the vote, at a regular or special stockholders' meeting, of the holders of at least two-thirds of the votes entitled to be cast by the holders of all our capital stock then entitled to vote. All other amendments to our bylaws require either: (i) approval by a majority of our entire board of directors (without stockholder consent) or (ii) the vote, at a regular or special stockholders' meeting, of the holders of at least two-thirds of the votes entitled to be cast by the holders of all our capital stock then entitled to vote. In addition, our certificate of incorporation provides that amendments to certain provisions of our certificate of incorporation, including those relating to the classified board, removal of directors, calling special meetings and no stockholder action by written consent, must be approved by the vote, at a regular or special stockholders' meeting, of the holders of at least two-thirds of the votes entitled to be cast by the holders of all of our capital stock then entitled to vote (in addition to the approval of our board of directors).

Business Combination Statute. Following the distribution, we will be subject to Section 203 of the Delaware General Corporation Law, an anti-takeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years following the date the person became an interested stockholder, unless the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation's voting stock. Because we were not subject to Section 203 prior to the distribution, following the distribution FNF and its subsidiaries would not be considered an interested stockholder.

Provisions of our Certificate of Incorporation Relating to Corporate Opportunities

Certificate of Incorporation. To address situations in which officers or directors have conflicting duties to affiliated corporations, Section 122(17) of the Delaware General Corporation Law allows a corporation to renounce, in its certificate of incorporation or by action of its board of directors, any interest or expectancy of the corporation in specified classes or categories of business opportunities. As such, and in order to address potential conflicts of interest between us and FNF and its subsidiaries ("Fidelity"), our certificate of incorporation contains provisions regulating and defining, to the fullest extent permitted by law, the conduct of our affairs as they may involve Fidelity and its officers and directors.

Our certificate of incorporation provides that, subject to any written agreement to the contrary, Fidelity will have no duty to refrain from engaging in the same or similar activities or lines of business as us, and, except as set forth in our certificate of incorporation, neither Fidelity nor its officers or directors will be liable to us or our stockholders for any breach of any fiduciary duty due to any such activities of Fidelity. In the event that Fidelity acquires knowledge of a potential transaction or matter which may be a corporate opportunity for both Fidelity and us, Fidelity, to the fullest extent permitted by law, will have no duty to communicate or offer the corporate opportunity to us and will, to the fullest extent permitted by law, not be liable to us or our stockholders for breach of any fiduciary duty by reason of the fact that Fidelity pursues or acquires that corporate opportunity for itself, directs it to another person or does not communicate information regarding it to us.

Our certificate of incorporation further provides that if one of our directors or officers who is also a director or officer of Fidelity acquires knowledge of a potential transaction or matter that may be a corporate opportunity for both Fidelity and us, the director or officer will have satisfied his or her fiduciary duty to us and our stockholders with respect to that corporate opportunity if he or she acts in a manner consistent with the following policy:

- a corporate opportunity offered to any person who is an officer of ours and who is also a director but not an officer of Fidelity, will belong to us unless the opportunity is expressly offered to that person in a capacity other than such person's capacity as one of our officers, in which case it will not belong to us;
- a corporate opportunity offered to any person who is a director but not an officer of ours, and who is also a director or officer of Fidelity, will belong to us only if that opportunity is expressly offered to that person in that person's capacity as one of our directors; and
- a corporate opportunity offered to any person who is an officer of both Fidelity and us will belong to us only if that opportunity is expressly offered to that person in that person's capacity as one of our officers.

Notwithstanding these provisions, our certificate of incorporation does not prohibit us from pursuing any corporate opportunity of which we become aware.

These provisions in our certificate of incorporation will no longer be effective on the date that (i) Fidelity ceases to beneficially own our common stock representing at least 20% of the total voting power of all classes of our outstanding capital stock entitled to vote generally in the election of directors and (ii) none of our directors or officers are also directors or officers of Fidelity.

If our certificate of incorporation did not include provisions setting forth the circumstances under which opportunities will belong to us and regulating the conduct of our directors and officers in situations where their duties to us and Fidelity conflict, the actions of our directors and officers in each such situation would be subject to the fact-specific analysis of the corporate opportunity doctrine as articulated under Delaware law. Under Delaware law, a director of a corporation may take a corporate opportunity, or divert it to another corporation in which that director has an interest, if (i) the opportunity is presented to the director or officer in his or her individual capacity, (ii) the opportunity is not essential to the corporation, (iii) the corporation holds no interest or expectancy in the opportunity and (iv) the director or officer has not wrongfully employed the resources of the corporation in pursuing or exploiting the opportunity. Based on Section 122(17) of the Delaware General Corporation Law, we do not believe the corporate opportunity guidelines set forth in our certificate of incorporation conflict with Delaware law. If, however, a conflict were to arise between the provisions of our certificate of incorporation and Delaware law, Delaware law would control.

Limitations on Director Liability

Under the Delaware General Corporation Law, we may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), by reason of the fact that he or she is or was our director, officer, employee or agent, or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to our best interests, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. In addition, Section 102(b)(7) of the Delaware General Corporation Law provides that a certificate of incorporation may contain a provision eliminating or limiting the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that such provision shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law (relating to liability for unauthorized acquisitions or redemptions of, or dividends on, capital stock), or (iv) for any transaction from which the director derived an improper personal benefit. Our certificate of incorporation contains the provisions permitted by Section 102(b)(7) of the Delaware General Corporation Law.

Distribution Agent, Transfer Agent and Registrar

The distribution agent, transfer agent and registrar for our common stock is .

SHARES ELIGIBLE FOR FUTURE SALE

All shares distributed to FNF stockholders in the distribution will be freely tradable without restriction or further registration under the Securities Act, except that any shares received in the distribution by our "affiliates," as that term is defined in Rule 144 under the Securities Act, may generally only be sold in compliance with the limitations of Rule 144 described below.

Rule 144

In general, under Rule 144 as currently in effect, an affiliate would be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding; or
- the average weekly trading volume of the common stock on the New York Stock Exchange during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Registration Rights

As described in "Our Arrangements with FNF — Registration Rights Agreement," we have entered into a registration rights agreement with FNF. We do not have any other contractual obligations to register our common stock.

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes the material United States federal income tax consequences generally applicable to an FNF stockholder that receives FNT shares in the distribution. This summary is based on the United States Internal Revenue Code of 1986, as amended (the "Code"), the Treasury Regulations promulgated thereunder, and judicial and administrative interpretations thereof, all as in effect on the date of this circular and all of which are subject to change (possibly on a retroactive basis).

A “United States Holder” is a beneficial owner of FNF common stock that is a citizen or resident individual of the United States, a corporation or any other entity taxable as a corporation, in either case organized in or under the laws of the United States or any state or political subdivision thereof, or an estate or trust that is subject to United States federal income taxation without regard to the source of its income. A United States Holder does not include, and this discussion does not address the tax consequences to, certain persons subject to special provisions of United States federal income tax law, such as tax-exempt organizations, qualified retirement plans, financial institutions, insurance companies, partnerships, real estate investment trusts, regulated investment companies, broker-dealers, persons who hold their shares as part of a straddle, a hedge, a constructive sale or a conversion transaction, holders of FNF shares whose functional currency is other than the United States dollar, pass-through entities and investors therein, persons who acquired their stock through the exercise of employee stock options or otherwise as compensation, or persons who hold their shares as ordinary assets and not as capital assets.

A “Non-United States Holder” is a beneficial owner of FNF common stock that holds such stock as a capital asset and that is in general an individual, corporation, estate, or trust other than an individual who is a citizen or resident of the United States; a corporation (or an entity taxed as a corporation for United States federal income tax purposes) created or organized in the United States or under the laws of the United States or any subdivision thereof; an estate the income of which is includible in gross income for United States federal income tax purposes regardless of its source; or a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust.

This summary does not address all of the United States federal income tax consequences that may be relevant to the particular circumstances of an FNF stockholder that receives FNT stock in the distribution, nor does it address the effect of any foreign, state or local tax law on an FNF stockholder that receives FNT stock in the distribution.

This summary is for general information purposes only and is not intended to be, and should not be construed to be, legal or tax advice to any particular shareholder. Consequently, FNF shareholders are advised to consult their own tax advisors to determine the particular tax consequences of the distribution, and of acquiring, exchanging, holding or disposing of shares of FNT common stock.

Tax Consequences of the Distribution to United States Holders

FNF will report the distribution as a taxable distribution in which each FNF stockholder receives an amount equal to the fair market value, at the time of the distribution, of the FNT shares the stockholder receives plus the amount of any cash received in lieu of fractional shares of FNT common stock (the “Distribution Amount”). Assuming that there will be a public market for the FNT stock at the time of the distribution, the fair market value of an FNT share to a stockholder is expected to be the average of the high and low trading price on the date of the distribution, or if such date is not a trading day, on the first trading day following the distribution. However, if the Distribution Amount exceeds the FNF shareholder’s allocable share of FNF’s current and accumulated earnings and profits for federal income tax purposes determined as of the end of the FNF’s fiscal year ending December 31, 2005, the excess generally will be treated first as a basis-reducing, tax-free return of capital to the extent of the shareholder’s basis in his or her FNF common stock, and after this basis is reduced to zero, as capital gain. FNF’s management has advised that, based on the information currently available, FNF’s accumulated earnings and profits at December 31, 2005 is expected to be large enough that the Distribution Amount will not exceed the Holder’s allocable share of such earnings and profits.

The Distribution Amount is expected to constitute “qualified dividend income” for United States federal income tax purposes, subject to certain holding period requirements. Each corporate holder of FNF common stock (other than S corporations) receiving FNT shares and recognizing dividend income would be entitled to the dividends-received deduction (generally 70%) with respect to the dividends, subject to certain holding period requirements.

The Distribution Amount also may be considered an "extraordinary dividend" under the United States federal income tax rules depending on the facts and circumstances of the shareholder. Treatment of the Distribution Amount as an extraordinary dividend may affect a corporate shareholder's basis in its FNF stock, or, with respect to individual shareholders, may affect the tax characterization of a sale of his or her FNF shares.

An FNF shareholder's tax basis in the FNT shares received in the distribution would equal the fair market value of the FNT common stock on the date of the distribution, and the shareholder's holding period in the stock would begin the day after the distribution.

Individual Reporting and Backup Withholding

In early 2006, each individual recipient of FNT shares in the distribution will receive an IRS Form 1099-DIV reflecting the Distribution Amount. An FNF stockholder may be subject to backup withholding at a rate of 28% of amounts paid to the shareholder, unless the shareholder, before the distribution, has provided his or her correct taxpayer identification number on an IRS Form W-9 or a substitute therefor. Any amounts withheld under the backup withholding rules may be allowed as a refund or credit against such shareholder's United States federal income tax liability provided the required information is furnished to the IRS.

Tax Consequences of the Distribution to Non-United States Holders

A Non-United States Holder generally will be subject to withholding of United States federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. However, if the distribution is effectively connected with the conduct of a trade or business within the United States or is attributable to a permanent establishment in the event such standard applies to the Non-United States Holder under an applicable tax treaty with the United States, the distribution will not be subject to the withholding tax, but instead will be subject to United States federal income tax on a net income basis at applicable graduated individual or corporate rates. Certain certification and disclosure requirements must be satisfied for effectively connected income to be exempt from withholding. Any dividends received by a foreign corporation subject to United States federal income tax on a net basis may, under specific circumstances, be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

A Non-United States Holder who wishes to claim the benefit of an applicable treaty rate (and avoid backup withholding as discussed below) for dividends, will be required to (a) complete IRS Form W-8BEN (or other applicable form) and certify under penalties of perjury that such holder is not a United States person, or (b) if the common stock is held through certain foreign intermediaries, satisfy the relevant certification requirements of applicable United States Treasury regulations. Special certification and other requirements apply to certain Non-United States Holders that are entities rather than individuals.

A Non-United States Holder eligible for a reduced rate of United States withholding tax pursuant to an income tax treaty may obtain a refund of any excess amount withheld by filing an appropriate claim for refund with the IRS.

Gain of Disposition of Common Stock

A Non-United States Holder generally will not be subject to United States federal income or withholding tax with respect to gain recognized on a sale or other disposition of common stock unless (i) the gain is effectively connected with a trade or business of the Non-United States Holder in the United States, and, where a tax treaty applies, is attributable to a United States permanent establishment of the Non-United States Holder; (ii) in the case of a Non-United States Holder who is an individual and holds the common stock as a capital asset, such holder is present in the United States for 183 or more days in the taxable year of the sale or other disposition and certain other conditions are met; or (iii) FNF is at the time of the distribution or has been a "United States real property holding corporation" for United States federal income tax purposes. FNF believes it is not, has not been, and will not be at the time of the distribution a “United States real property holding corporation” for United States federal income tax purposes.

Federal Estate Tax

FNT stock held by an individual Non-United States Holder at the time of death will be included in such holder’s gross estate for United States federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

Individual Reporting and Backup Withholding

FNF must report annually to the IRS and to each individual Non-United States Holder the amount of dividends paid to such holder and the tax withheld with respect to such dividends, regardless of whether withholding was required. Copies of the information returns reporting such dividends and withholding also may be made available to the tax authorities in the country in which the Non-United States Holder resides under the provisions of an applicable income tax treaty.

A Non-United States Holder will be subject to backup withholding unless applicable certification requirements are met. Information reporting and, depending on the circumstances, backup withholding, will apply to the proceeds of a sale of FNT stock within the United States or conducted through the United States related financial intermediaries unless the beneficial owner certifies under penalties of perjury that it is a Non-United States Holder (and the payor does not have actual knowledge or reason to know that the beneficial owner is not a United States person) or the holder otherwise establishes an exemption. Any amounts withheld under the backup withholding rules may be allowed as a refund or credit against such holder’s United States federal income tax liability provided the required information is furnished to the IRS.

THE PRECEDING DISCUSSION OF CERTAIN MATERIAL U.S. FEDERAL INCOME AND ESTATE TAX CONSEQUENCES IS GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. ACCORDINGLY, EACH NON-U.S. HOLDER SHOULD CONSULT THAT NON-U.S. HOLDER’S OWN TAX ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES TO IT OF PURCHASING, HOLDING, OR DISPOSING OF OUR COMMON STOCK, INCLUDING THE APPLICABILITY OF ANY STATE, LOCAL, OR FOREIGN TAX LAWS, AND OF ANY CHANGES OR PROPOSED CHANGES IN APPLICABLE LAW.

LEGAL MATTERS

The validity of the shares of common stock distributed hereby will be passed upon for us by LeBoeuf, Lamb, Greene & MacRae LLP.

EXPERTS

The combined financial statements and schedule of Fidelity National Title Group, Inc. and subsidiaries, as of December 31, 2004, and 2003, and for each of the years in the three-year period ended December 31, 2004, have been included herein and in the registration statement in reliance upon the reports of KPMG LLP, an independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing. The audit report on the combined financial statements refers to the adoption effective January 1, 2003 of Statement of Financial Accounting Standards No. 123, “Accounting for Stock-Based Compensation,” related to stock-based employee compensation.

ADDITIONAL INFORMATION

We have filed with the Securities and Exchange Commission a registration statement on Form S-1 under the Securities Act with respect to the common stock we will distribute under this prospectus. This prospectus does not contain all of the information included in the registration statement and the exhibits and schedules to the registration statement. For further information with respect to us and our common stock, please refer to the registration statement, including its exhibits and schedules, which you may inspect and obtain copies of at prescribed rates at the public reference facilities of the Securities and Exchange Commission at the addresses provided below.

Upon completion of this distribution, we will become subject to the information and periodic reporting requirements of the Securities Exchange Act of 1934, and, under that Act, we will file reports, proxy statements and other information with the Securities and Exchange Commission. You may inspect those reports, proxy statements and other information and the registration statement and its exhibits and schedules, without charge, and you may make copies of them at prescribed rates at the public reference facilities of the Securities and Exchange Commission's principal office at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Securities and Exchange Commission's public reference facilities by calling the Securities and Exchange Commission in the United States at 1-800-SEC-0330. The Securities and Exchange Commission also maintains a web site at http://www.sec.gov that contains reports, proxy and information statements and other information regarding registrants that file electronically with the Securities and Exchange Commission.

INDEX TO FINANCIAL STATEMENTS

[Table of Contents](#)

When the transactions referred to in Note A of the Notes to Combined Financial Statements have been consummated, we will be in a position to render the following report.

/s/ KPMG LLP

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
Fidelity National Title Group, Inc.:

We have audited the accompanying Combined Balance Sheets of Fidelity National Title Group, Inc. and subsidiaries as of December 31, 2004 and 2003, and the related Combined Statements of Earnings, Equity and Comprehensive Earnings and Cash Flows for each of the years in the three-year period ended December 31, 2004. These Combined Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Combined Financial Statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the Combined Financial Statements referred to above present fairly, in all material respects, the financial position of Fidelity National Title Group, Inc. and subsidiaries as of December 31, 2004 and 2003, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2004 in conformity with U.S. generally accepted accounting principles.

The Combined Financial Statements for 2002 were prepared using Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees," to record stock-based employee compensation. As discussed in Note A to the Combined Financial Statements, effective January 1, 2003, the Company adopted the fair value recognition provisions of SFAS No. 123, "Accounting for Stock-Based Compensation", to record stock-based employee compensation, applying the prospective method of adoption in accordance with SFAS No. 148, "Accounting for Stock-Based Compensation — Transition and Disclosure."

Jacksonville, Florida
August 16, 2005, except for Note A which is as of   , 2005

FIDELITY NATIONAL TITLE GROUP, INC. AND SUBSIDIARIES

COMBINED BALANCE SHEETS

	As of December 31, 2004	As of December 31, 2003
	(In thousands)	
ASSETS		
Investments:		
Fixed maturities available for sale, at fair value, at December 31, 2004 and 2003 includes $265,639 and $262,193, respectively, of pledged fixed maturity securities related to secured trust deposits	$ 2,174,817	$ 1,615,704
Equity securities, at fair value	115,070	65,407
Other long-term investments	21,219	17,596
Short-term investments, at December 31, 2004 and 2003 includes $280,351 and $185,956, respectively, of pledged short-term investments related to secured trust deposits	508,383	811,475
Total investments	2,819,489	2,510,182
Cash and cash equivalents, at December 31, 2004 and 2003 includes $195,200 and $231,142, respectively, of pledged cash related to secured trust deposits	268,414	395,857
Trade receivables, net of allowance of $11,792 in 2004 and $12,833 in 2003	145,447	132,579
Notes receivable, net of allowance of $1,740 in 2004 and $1,555 in 2003 and includes notes from related parties of $22,800 in 2004 and $26,598 in 2003	39,196	41,358
Goodwill	959,600	920,278
Prepaid expenses and other assets	311,730	296,942
Title plants	301,610	280,024
Property and equipment, net	164,916	161,368
Due from FNF	63,689	44,076
	$ 5,074,091	$ 4,782,664
LIABILITIES AND EQUITY		
Liabilities:		
Accounts payable and accrued liabilities	$ 603,705	$ 591,535
Notes payable	22,390	54,259
Reserve for claim losses	980,746	932,439
Secured trust deposits	735,295	671,882
Deferred tax liabilities	51,248	60,875
	2,393,384	2,310,990
Minority interests	3,951	2,488
Equity:		
Investment by FNF	2,719,056	2,481,038
Accumulated other comprehensive loss	(42,300)	(11,852)
	2,676,756	2,469,186
	$ 5,074,091	$ 4,782,664

See Notes to Combined Financial Statements.

Table of Contents

FIDELITY NATIONAL TITLE GROUP, INC. AND SUBSIDIARIES

COMBINED STATEMENTS OF EARNINGS

	Year Ended December 31, 2004	2003	2002
		(In thousands)	
Revenue:			
Direct title insurance premiums	$ 2,003,447	$ 2,105,317	$ 1,557,769
Agency title insurance premiums, includes $106.3 million, $284.9 million and $53.0 million of premiums from related parties in 2004, 2003 and 2002, respectively (see Note A)	2,714,770	2,595,433	1,989,958
Total title premiums	4,718,217	4,700,750	3,547,727
Escrow and other title related fees, includes $8.4 million, $7.3 million and $6.7 million of revenue from related parties in 2004, 2003 and 2002, respectively (see Note A)	1,039,835	1,058,729	790,787
Total title and escrow	5,758,052	5,759,479	4,338,514
Interest and investment income, includes $1.0 million, $0.7 million and $0.5 million of interest revenue from related parties in 2004, 2003 and 2002, respectively (see Note A)	64,885	56,708	72,305
Realized gains and losses, net	22,948	101,839	584
Other income	43,528	52,689	55,927
	5,889,413	5,970,715	4,467,330
Expenses:			
Personnel costs, excludes $34.5 million, $14.8 million and $9.9 million of personnel costs allocated to related parties in 2004, 2003 and 2002, respectively (see Note A)	1,680,805	1,692,895	1,260,070
Other operating expenses, includes $53.8 million, $15.8 million and $4.9 million of other operating expenses from related parties net of amounts allocated to related parties in 2004, 2003 and 2002, respectively (see Note A)	849,554	817,597	633,193
Agent commissions, includes agent commissions of $93.6 million, $250.7 million and $46.7 million paid to related parties in 2004, 2003 and 2002, respectively (see Note A)	2,117,122	2,035,810	1,567,112
Depreciation and amortization	95,718	79,077	53,042
Provision for claim losses	259,402	248,834	175,963
Interest expense	3,885	4,582	8,586
	5,006,486	4,878,795	3,697,966
Earnings before income taxes and minority interest	882,927	1,091,920	769,364
Income tax expense	323,598	407,736	276,970
Earnings before minority interest	559,329	684,184	492,394
Minority interest	1,165	859	624
Net earnings	$ 558,164	$ 683,325	$ 491,770

See Notes to Combined Financial Statements.

Table of Contents

FIDELITY NATIONAL TITLE GROUP, INC. AND SUBSIDIARIES

COMBINED STATEMENTS OF EQUITY AND COMPREHENSIVE EARNINGS

	Investment by FNF	Accumulated Other Comprehensive Earnings (Loss)	Total Equity	Comprehensive Earnings (Loss)
		(In thousands)		
Balance, December 31, 2001	$ 1,740,917	$ 470	$ 1,741,387	$ —
Other comprehensive loss-minimum pension liability adjustment — net of tax	—	(15,871)	(15,871)	(15,871)
Other comprehensive earnings-unrealized gain on investments — net of tax	—	26,882	26,882	26,882
Net contribution of capital	144,016	—	144,016	
Dividend to FNF	(153,700)	—	(153,700)	
Net earnings	491,770	—	491,770	491,770
Balance, December 31, 2002	2,223,003	11,481	2,234,484	502,781
Other comprehensive loss-minimum pension liability adjustment — net of tax	—	(9,988)	(9,988)	(9,988)
Other comprehensive earnings-unrealized loss on investments — net of tax	—	(13,345)	(13,345)	(13,345)
Net distribution of capital	(16,390)	—	(16,390)	
Dividend to FNF	(408,900)	—	(408,900)	
Net earnings	683,325	—	683,325	683,325
Balance, December 31, 2003	2,481,038	(11,852)	2,469,186	659,992
Other comprehensive loss-minimum pension liability adjustment — net of tax	—	(11,764)	(11,764)	(11,764)
Other comprehensive earnings-unrealized loss on investments — net of tax	—	(18,684)	(18,684)	(18,684)
Net contribution of capital	117,854	—	117,854	—
Dividend to FNF	(438,000)	—	(438,000)	—
Net earnings	558,164	—	558,164	558,164
Balance, December 31, 2004	$ 2,719,056	(42,300)	$ 2,676,756	$ 527,716

See Notes to Combined Financial Statements.

FIDELITY NATIONAL TITLE GROUP, INC. AND SUBSIDIARIES

COMBINED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2004	2003	2002
		(In thousands)	
Cash Flows From Operating Activities:			
Net earnings	$ 558,164	$ 683,325	$ 491,770
Adjustment to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	95,718	79,077	53,042
Net increase in reserve for claim losses	6,088	38,158	6,920
Gain on sales of investments and other assets	(22,948)	(101,839)	(584)
Stock-based compensation cost	5,418	4,864	—
Changes in assets and liabilities, net of effects from acquisitions:			
Net decrease (increase) in secured trust deposits	1,514	11,647	(5,129)
Net increase in trade receivables	(11,241)	(7,630)	(35,000)
Net decrease in prepaid expenses and other assets	18,295	58,829	105,916
Net (decrease) increase in accounts payable, accrued liabilities and minority interests	(12,309)	62,735	112,437
Net increase in income taxes	7,099	23,462	21,928
Net cash provided by operating activities	645,798	852,628	751,300
Cash Flows From Investing Activities:			
Proceeds from sales of investment securities available for sale	2,579,401	1,849,862	1,061,356
Proceeds from maturities of investment securities available for sale	204,783	318,302	161,538
Proceeds from sales of real estate, property and equipment	5,620	5,141	2,765
Collections of notes receivable	7,788	15,480	22,764
Additions to title plants	(6,533)	(1,105)	(569)
Additions to property and equipment	(70,636)	(80,418)	(64,093)
Additions to capitalized software	(415)	(16,133)	(35,048)
Additions to notes receivable	(5,414)	(3,665)	—
Purchases of investment securities available for sale	(3,244,321)	(2,184,319)	(1,387,840)
Net proceeds (purchases) of short-term investment activities	277,736	(76,192)	(288,788)
Acquisition of businesses, net of cash acquired	(115,712)	(8,352)	10,633
Net cash used in investing activities	(367,703)	(181,399)	(517,282)
Cash Flows From Financing Activities:			
Borrowings	132	238	21,063
Debt service payments	(33,367)	(56,062)	(89,365)
Net contribution from (distribution to) parent	101,639	(180,118)	2,510
Dividends paid	(438,000)	(408,900)	(153,700)
Net cash used in financing activities	(369,596)	(644,842)	(219,492)
Net (decrease) increase in cash and cash equivalents, excluding pledged cash related to secured trust deposits	(91,501)	26,387	14,526
Cash and cash equivalents, excluding pledged cash related to secured trust deposits, at beginning of year	164,715	138,328	123,802
Cash and cash equivalents, excluding pledged cash related to secured trust deposits, at end of year	$ 73,214	$ 164,715	$ 138,328

See Notes to Combined Financial Statements.

FIDELITY NATIONAL TITLE GROUP, INC. AND SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS

A. Summary of Significant Accounting Policies

The following describes the significant accounting policies of Fidelity National Title Group, Inc. ("FNT") and its subsidiaries (collectively, the "Company") which have been followed in preparing the accompanying Combined Financial Statements.

Description of Business

Fidelity National Financial, Inc. (FNF) expects to initiate a distribution of 17.5% of its interest in FNT which represents the title insurance segment of FNF.

FNT is currently a wholly-owned subsidiary of FNF. Once certain regulatory approvals are received all of the legal entities that are being combined for presentation in these historical financial statements will be contributed to FNT, which will be 100% owned by FNF. FNF will then distribute to its current shareholders 0.175 shares of FNT Class A common stock for each share of FNF common stock held on the record date and FNF will beneficially own 100% of the FNT Class B common stock representing 82.5% of the Company's outstanding common stock. FNT Class B common stock will have ten votes per share while FNT Class A common stock will have one vote per share. Based on FNF having approximately 173 million outstanding shares, there will be approximately 30.3 million Class A common shares outstanding and 142.7 million Class B common shares outstanding. Following the distribution FNF will control 97.9% of the voting rights of FNT.

Prior to the distribution the Company intends to issue two $250 million intercompany notes payable to FNF, with terms that mirror FNF's existing $250 million 7.30% public debentures due in August 2011 and $250 million 5.25% public debentures due in March 2013. Proceeds from the issuance of the 2011 public debentures were used by FNF to repay debt incurred in connection with the acquisition of the Company's subsidiary, Chicago Title, and the proceeds from the 2013 public debentures were used for general corporate purposes. Following the issuance of the intercompany notes, the Company may make an exchange offer in which the Company would offer to exchange the outstanding FNF notes for notes the Company would issue having substantially the same terms and deliver the FNF notes received to FNF to reduce the debt under the intercompany notes. The Company also plans to enter into a credit agreement in the amount of between $200 million and $300 million. The Company currently anticipates that prior to the distribution it would borrow $150 million under this facility and pay it to FNF in satisfaction of a $150 million intercompany note issued by one of the Company's subsidiaries to FNF in August 2005. Upon completion of the distribution, FNF will also continue to own its other operating businesses, including Fidelity National Information Services, Inc. ("FIS"), which provides software and servicing solutions for the financial services and real estate industries, and Fidelity National Insurance Company ("FNIC"), which operates various specialty lines of insurance, including flood, homeowners, automobile and certain niche personal lines.

Fidelity National Title Group, Inc., through its principal subsidiaries, is the largest title insurance company in the United States. The Company's title insurance underwriters — Fidelity National Title, Chicago Title, Ticor Title, Security Union Title and Alamo Title — together issue all of the Company's title insurance policies in 49 states, the District of Columbia, Guam, Puerto Rico, the U.S. Virgin Islands, and in Canada and Mexico. The Company operates its business through a single segment, title and escrow, and does not generate significant revenue from outside the United States. Although the Company earns title premiums on residential and commercial sale and refinance real estate transactions, the Company does not separately track its revenues from these various types of transactions.

Principles of Consolidation and Basis of Presentation

The accompanying Combined Financial Statements include those assets, liabilities, revenues and expenses directly attributable to the Company's operations and allocations of certain FNF corporate assets, liabilities and expenses to the Company. These amounts have been allocated to the Company on a basis

FIDELITY NATIONAL TITLE GROUP, INC. AND SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS — (Continued)

that is considered by management to reflect most fairly the utilization of services provided to or the benefit obtained by the Company. Management believes the methods used to allocate these amounts are reasonable. All intercompany profits, transactions and balances between the combined entities have been eliminated. The Company's investments in non-majority-owned partnerships and affiliates are accounted for on the equity method. The Company records minority interest liabilities related to minority shareholders interest in consolidated affiliates. All dollars presented herein are in thousands of dollars unless otherwise noted.

Transactions with Related Parties

The Company's historical financial statements reflect transactions with FNF and those being conducted by another FNF subsidiary, Fidelity National Information Services, Inc. ("FIS").

A detail of related party items included in revenues is as follows:

	2004	2003 (In millions)	2002
Agency title premiums earned	$ 106.3	$ 284.9	$ 53.0
Rental income earned	8.4	7.3	6.7
Interest revenue	1.0	0.7	0.5
Total revenue	$ 115.7	$ 292.9	$ 60.2

A detail of related party items included in operating expenses is as follows:

	2004	2003	2002
Agency title commissions	$ 93.6	$ 250.7	$ 46.7
Data processing costs	56.6	12.4	—
Data processing costs allocated	—	(5.4)	(5.8)
Corporate services allocated	(84.5)	(48.7)	(28.6)
Title insurance information expense	28.6	28.2	24.3
Other real-estate related information	$ 9.9	$ 11.4	$ 3.7
Software expense	5.8	2.6	1.3
Rental expense	2.8	0.5	—
Total expenses	$ 112.8	$ 251.7	$ 41.6
Total pretax impact of related party activity	$ 2.9	$ 41.2	$ 18.6

Included as a reduction of expenses for all periods are payments from FNF and FIS relating to the provision by FNT of corporate services to FNF and to FIS and its subsidiaries. These corporate services include accounting, internal audit and treasury, payroll, human resources, tax, legal, purchasing, risk management, mergers & acquisitions and general management. For the years ended December 31, 2004, 2003 and 2002, our expenses were reduced by $9.4 million, $9.2 million and $7.0 million, respectively, related to the provision of corporate services by the Company to FNF and its subsidiaries (other than FIS and its subsidiaries). For the years ended December 31, 2004, 2003 and 2002, our expenses were reduced by $75.1 million, $39.5 million and $21.6 million, respectively, related to the provision of corporate services by us to FIS and its subsidiaries.

The Company does business with the lender outsourcing solutions segment of FIS, which includes title agency functions whereby an FIS subsidiary acts as the title agent in the issuance of title insurance policies by a title insurance underwriter owned by the Company and in connection with certain trustee sales guarantees, a form of title insurance issued as part of the foreclosure process. As a result, the Company's title insurance subsidiaries pay commissions on title insurance policies sold through FIS. For 2004, 2003 and 2002 these FIS operations generated $106.3 million, $284.9 million and $53.0 million of revenues for the Company, which the Company records as agency title premiums. The Company paid FIS commissions at the rate of 88% of premiums generated, equal to $93.6 million, $250.7 million and $46.7 million for 2004, 2003 and 2002, respectively.

The Company also has historically leased equipment to a subsidiary of FIS. Revenue relating to these leases was $8.4 million, $7.3 million and $6.7 million in 2004, 2003 and 2002, respectively.

The title plant assets of several of the Company's title insurance subsidiaries are managed or maintained by a subsidiary of FIS. The underlying title plant information and software continues to be owned by each of the Company's title insurance underwriters, but FIS manages and updates the information in return for either (i) a cash management fee or (ii) the right to sell that information to title insurers, including title insurance underwriters that the Company owns and other third party customers. In most cases, FIS is responsible for keeping the title plant assets current and fully functioning, for which the Company pays a fee to FIS based on the Company's use of, or access to, the title plant. For 2004, 2003 and 2002 the Company's payments to FIS under these arrangements were $28.9 million, $28.2 million and $24.3 million, respectively. In addition, since November 2004, each applicable title insurance underwriter in turn has received a royalty on sales of access to its title plant assets. For the year ended December 31, 2004, the revenues from these title plant royalties were $0.3 million. The Company has also entered into agreements with FIS that permit FIS and certain of its subsidiaries to access and use (but not to re-sell) the starters databases and back plant databases of the Company's title insurance subsidiaries. Starters databases are the Company's databases of previously issued title policies and back plant databases contain historical records relating to title that are not regularly updated. Each of the Company's applicable title insurance subsidiaries receives a fee for any access to or use of its starters and back plant databases by FIS. The Company also does business with additional entities within the information services segment of FIS that provide real estate information to the Company's operations. The Company recorded expenses of $9.9 million, $11.4 million and $3.7 million in 2004, 2003 and 2002, respectively.

Included in the Company's expenses for 2004 and 2003 are amounts paid to a subsidiary of FIS for the provision by FIS to FNT of IT infrastructure support, data center management and related IT support services. For 2004 and 2003, the amounts included in the Company's expenses to FIS for these services were $56.6 million and $12.4 million, respectively. Prior to September 2003, the Company performed these services itself and provided them to FIS. During 2003 and 2002, FNT received payments from FIS of $5.4 million and $5.8 million relating to these services that offset the Company's other operating expenses. In addition, we incurred software expenses relating to an agreement with a subsidiary of FIS that amounted to expense of $5.8 million, $2.6 million, and $1.3 million in 2004, 2003, and 2002, respectively.

The Company believes the amounts earned by the Company or charged to the Company under each of the foregoing arrangements are fair and reasonable. Although the commission rate paid on the title insurance premiums written by the FIS title agencies was set without negotiation, the Company believes the commissions earned are consistent with the average rate that would be available to a third party title agent given the amount and the geographic distribution of the business produced and the low risk of loss profile of the business placed. In connection with the title plant management and maintenance services provided by FIS, the Company believe that the fees charged to the Company by FIS are at approximately the same rates that FIS and other similar vendors charge unaffiliated title insurers. The IT infrastructure support and data center management services provided to the Company by FIS is priced within the range of prices that FIS offers to its unaffiliated third party customers for the same types of services. However, the amounts the Company earned or were charged under these arrangements were not negotiated at arm's-length, and may not represent the terms that the Company might have obtained from an unrelated third party.

FIDELITY NATIONAL TITLE GROUP, INC. AND SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS — (Continued)

Amounts Due from FNF are as follows:	As of December 31 2004	2003
	(In millions)	
Notes receivable from FNF	$ 22.8	$ 26.6
Taxes due from FNF	63.6	44.1

The Company has notes receivable from FNF relating to agreements between its title underwriters and FNF. These notes amounted to $22.8 million and $26.6 million at December 31, 2004 and 2003, respectively. As of December 31, 2004, these notes bear interest at 2.66%. The Company earned interest revenue of $1.0 million, $0.7 million and $0.5 million relating to these notes during 2004, 2003 and 2002, respectively. All other intercompany payables and receivables relating to transactions between the Company and FNF and its other subsidiaries are considered contributed to capital in these historical financial statements. These transactions consist of receivables and payables arising through intercompany transactions in the normal course of business, such as those noted above.

The Company is included in FNF's consolidated tax returns and thus any income tax liability or receivable is due to/from FNF. As of December 31, 2004 and 2003, the Company had recorded a receivable from FNF relating to overpayment of taxes of $63.6 million and $44.1 million, respectively.

Our financial statements for 2004 and 2003 reflect allocations for a lease of office space to us for our corporate headquarters and business operations. In connection with the distribution, we will enter into a lease with FIS, pursuant to which FIS will lease office space to us for our corporate headquarters and business operations.

Investments

Fixed maturity securities are purchased to support the investment strategies of the Company, which are developed based on factors including rate of return, maturity, credit risk, tax considerations and regulatory requirements. Fixed maturity securities which may be sold prior to maturity to support the Company's investment strategies are carried at fair value and are classified as available for sale as of the balance sheet dates. Fair values for fixed maturity securities are principally a function of current interest rates and are based on quoted market prices. Included in fixed maturities are mortgage-backed securities, which are recorded at purchased cost. Discount or premium is recorded for the difference between the purchase price and the principal amount. The discount or premium is amortized using the interest method and is recorded as an adjustment to interest and investment income. The interest method results in the recognition of a constant rate of return on the investment equal to the prevailing rate at the time of purchase or at the time of subsequent adjustments of book value. Changes in prepayment assumptions are accounted for retrospectively.

Equity securities are considered to be available for sale and are carried at fair value as of the balance sheet dates. Fair values are based on quoted market prices.

Other long-term investments consist primarily of equity investments accounted for under the equity method of accounting.

Short-term investments, which consist primarily of securities purchased under agreements to resell, commercial paper and money market instruments, which have an original maturity of one year or less, are carried at amortized cost, which approximates fair value.

Realized gains and losses on the sale of investments are determined on the basis of the cost of the specific investments sold and are credited or charged to income on a trade date basis. Unrealized gains or losses on fixed maturity and equity securities which are classified as available for sale, net of applicable deferred income taxes (benefits), are excluded from earnings and credited or charged directly to a separate component of stockholders' equity. If any unrealized losses on fixed maturity or equity securities are deemed other-than-temporary, such unrealized losses are recognized as realized losses.

Cash and Cash Equivalents

For purposes of reporting cash flows, highly liquid instruments purchased with original maturities of three months or less are considered cash equivalents. The carrying amounts reported in the Combined Balance Sheets for these instruments approximate their fair value.

Fair Value of Financial Instruments

The fair values of financial instruments presented in the applicable notes to the Company's Combined Financial Statements are estimates of the fair values at a specific point in time using available market information and appropriate valuation methodologies. These estimates are subjective in nature and involve uncertainties and significant judgment in the interpretation of current market data. Therefore, the fair values presented are not necessarily indicative of amounts the Company could realize or settle currently. The Company does not necessarily intend to dispose of or liquidate such instruments prior to maturity.

Trade and Notes Receivables

The carrying values reported in the Combined Balance Sheets for trade and notes receivables approximate their fair value.

Goodwill

Goodwill represents the excess of cost over fair value of identifiable net assets acquired and assumed in a business combination. SFAS No. 142, *Goodwill and Intangible Assets* ("SFAS No. 142") requires that intangible assets with estimable lives be amortized over their respective estimated useful lives to their estimated residual values and reviewed for impairment in accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* (SFAS No. 144). SFAS No. 142 also provides that goodwill and other intangible assets with indefinite useful lives should not be amortized, but shall be tested for impairment annually, or more frequently if circumstances indicate potential impairment, through a comparison of fair value to its carrying amount. The Company measures for impairment on an annual basis.

As required by SFAS No. 142, the Company completed annual goodwill impairment tests in the fourth quarter of each respective year using a September 30 measurement date, and has determined fair value were in excess of carrying value. Accordingly, no goodwill impairments have been recorded.

Other Intangible Assets

The Company has other intangible assets which consist primarily of customer relationships and trademarks which are generally recorded in connection with acquisitions at their fair value. Customer relationships are amortized over their estimated useful lives using an accelerated method which takes into consideration expected customer attrition rates over a ten-year period. Contractual relationships are generally amortized over their contractual life. Trademarks are considered intangible assets with indefinite lives and are reviewed for impairment at least annually in accordance with SFAS No. 142.

At December 31, 2004 and December 31, 2003, included in prepaid and other assets on the combined balance sheets were other intangible assets of $61.5 million, less accumulated amortization of $22.7 million, and $39.5 million, less accumulated amortization of $8.1 million, respectively. Amortization expense relating to other intangible assets was $13.0 million, $1.9 million and $0.7 million for the years ended 2004, 2003 and 2002, respectively.

Capitalized Software

Capitalized software includes software acquired in business acquisitions, purchased software and internally developed capitalized software. Purchased software is recorded at cost and amortized using the straight-line method over a three-year period and software acquired in a business acquisition is recorded at its fair value upon acquisition and amortized using straight-line and accelerated methods over its estimated useful life, generally three to seven years. Capitalized computer software development costs are accounted for in accordance with SOP No. 98-1, *Accounting for the Costs of Computer Software Developed or Obtained for Internal Use.* At the beginning of application development, software development costs, which include salaries and related payroll costs and costs of independent contractors incurred during development, are capitalized. Research and development costs incurred prior to application development, of a product are expensed as incurred and are not significant. The cost of internally developed computer software is amortized on a product-by-product basis when ready for use for internally developed software and the date of purchase for purchased software. The capitalized cost of internally developed capitalized software is amortized on a straight-line basis over its estimated useful life, generally seven years.

At December 31, 2004 and December 31, 2003, included in prepaid and other assets on the combined balance sheets were capitalized software costs of $101.0 million, less accumulated amortization of $23.7 million, and $93.3 million, less accumulated amortization of $7.7 million, respectively. Amortization expense relating to computer software was $17.2 million, $14.4 million and $2.5 million for the years ended 2004, 2003 and 2002, respectively.

Title Plants

Title plants are recorded at the cost incurred to construct or obtain and organize historical title information to the point it can be used to perform title searches. Costs incurred to maintain, update and operate title plants are expensed as incurred. Title plants are not amortized as they are considered to have an indefinite life if maintained. Sales of title plants are reported at the amount received net of the adjusted costs of the title plant sold. Sales of title plant copies are reported at the amount received. No cost is allocated to the sale of copies of title plants unless the carrying value of the title plant is diminished or impaired.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation. Depreciation is computed primarily using the straight-line method based on the estimated useful lives of the related assets: thirty years for buildings and three to seven years for furniture, fixtures and computer equipment. Leasehold improvements are amortized on a straight-line basis over the lesser of the term of the applicable lease or the estimated useful lives of such assets.

Reserve for Claim Losses

The Company’s reserve for claim losses includes known claims for title insurance as well as losses the Company expects to incur, net of recoupments. Each known claim is reserved based on a review by the Company as to the estimated amount of the claim and the costs required to settle the claim. Reserves for claims which are incurred but not reported are established at the time premium revenue is recognized based on historical loss experience and other factors, including industry trends, claim loss history, current legal environment, geographic considerations and type of policy written.

The reserve for claim losses also includes reserves for losses arising from the escrow, closing and disbursement functions due to fraud or operational error.

FIDELITY NATIONAL TITLE GROUP, INC. AND SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS — (Continued)

If a loss is related to a policy issued by an independent agent, the Company may proceed against the independent agent pursuant to the terms of the agency agreement. In any event, the Company may proceed against third parties who are responsible for any loss under the title insurance policy under rights of subrogation.

Secured Trust Deposits

In the state of Illinois, a trust company is permitted to commingle and invest customers' assets with those of the Company, pending completion of real estate transactions. Accordingly, the Company's Combined Balance Sheets reflects a secured trust deposit liability of $735.3 million and $671.9 million at December 31, 2004 and 2003, respectively, representing customers' assets held by us and corresponding assets including cash and investments pledged as security for those trust balances.

Income Taxes

The Company's operating results have been historically included in FNF's Consolidated U.S. Federal and State income tax returns. The provision for income taxes in the Combined Statements of Earnings is made at rates consistent with what the Company would have paid as a stand-alone taxable entity. The Company recognizes deferred tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities and expected benefits of utilizing net operating loss and credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The impact on deferred taxes of changes in tax rates and laws, if any, are applied to the years during which temporary differences are expected to be settled and reflected in the financial statements in the period enacted.

Reinsurance

In a limited number of situations, the Company limits its maximum loss exposure by reinsuring certain risks with other insurers. The Company also earns a small amount of additional income, which is reflected in the Company's direct premiums, by assuming reinsurance for certain risks of other insurers. The Company also cedes a portion of certain policy and other liabilities under agent fidelity, excess of loss and case-by-case reinsurance agreements. Reinsurance agreements provide that in the event of a loss (including costs, attorneys' fees and expenses) exceeding the retained amounts, the reinsurer is liable for the excess amount assumed. However, the ceding company remains primarily liable in the event the reinsurer does not meet its contractual obligations.

Revenue Recognition

Direct title insurance premiums and escrow and other title-related fees are recognized as revenue at the time of closing of the related transaction as the earnings process is then considered complete, whereas premium revenues from agency operations and agency commissions include an accrual based on estimates of the volume of transactions that have closed in a particular period for which premiums have not yet been reported to us. The accrual for agency premiums is necessary because of the lag between the closing of these transactions and the reporting of these policies to us by the agent.

Stock-Based Compensation Plans

Certain FNT employees are participants in FNF's stock-based compensation plans, which provide for the granting of incentive and nonqualified stock options, restricted stock and other stock-based incentive awards for officers and key employees. The amounts below are based on allocation of FNF's stock compensation expense relating to awards given to FNT employees during the historical period.

FIDELITY NATIONAL TITLE GROUP, INC. AND SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS — (Continued)

The Company accounts for stock-based compensation using the fair value recognition provisions of SFAS No. 123, Accounting for Stock-Based Compensation (SFAS No. 123) effective as of the beginning of 2003. Under the fair value method of accounting, compensation cost is measured based on the fair value of the award at the grant date and recognized over the service period. The Company has elected to use the prospective method of transition, as permitted by Statement of Financial Accounting Standards No. 148, Accounting for Stock-Based Compensation — Transition and Disclosure (SFAS No. 148). Under this method, stock-based employee compensation cost is recognized from the beginning of 2003 as if the fair value method of accounting had been used to account for all employee awards granted, modified, or settled in years beginning after December 31, 2002. The Company has provided for stock compensation expense of $5.4 million and $4.9 million for the years ended December 31, 2004 and 2003, respectively, which is included in personnel costs in the Combined Statements of Earnings, as a result of the adoption of SFAS No. 148.

The following table illustrates the effect on net earnings for the years ended December 31, 2004, 2003 and 2002 as if the Company had applied the fair value recognition provisions of SFAS No. 123 to all awards held by FNT employees who are plan participants (in thousands):

	Year Ended December 31,		
	2004	2003	2002
		(In thousands)	
Net earnings, as reported	$ 558,164	$ 683,325	$ 491,770
Add: Stock-based compensation expense included in reported net earnings, net of related tax effects	3,360	3,016	—
Deduct: Total stock-based employee compensation expense determined under fair value based methods for all awards, net of related tax effects	(4,268)	(8,124)	(12,071)
Pro forma net earnings	$ 557,256	$ 678,217	$ 479,699

Management Estimates

The preparation of these Combined Financial Statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Combined Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. Acquisitions

The results of operations and financial position of the entities acquired during any year are included in the Combined Financial Statements from and after the date of acquisition. The Company generally employs an outside third party valuation firm to value the identifiable intangible and tangible assets and liabilities of each of its acquisitions. Based on this valuation any differences between the fair value of the identifiable assets and liabilities and the purchase price paid is recorded as goodwill. Proforma disclosures for acquisitions is considered immaterial to the results of operations for 2004, 2003, and 2002.

American Pioneer Title Insurance Company

On March 22, 2004, FNF acquired American Pioneer Title Insurance Company (“APTIC”) for $115.2 million in cash, subject to certain equity adjustments. APTIC is a 45-state licensed title insurance underwriter with significant agency operations and computerized title plant assets in the state of Florida. APTIC operates under the Company’s Ticor Title brand. The Company recorded approximately

$34.5 million in goodwill and approximately $10.6 in other amortizable intangible assets relating to this transaction.

LandCanada

On October 9, 2003, FNF acquired LandCanada, a provider of title insurance and related mortgage document production in Canada, for $17.6 million in cash. The Company recorded approximately $8.7 million in goodwill relating to this transaction.

Key Title Company

On March 31, 2003, FNF acquired Key Title Company ("Key Title") for $22.5 million in cash. Key Title operates in 12 counties in the state of Oregon. The Company recorded approximately $2.0 million in goodwill relating to this transaction.

ANFI, Inc.

On March 26, 2003, FNF merged with ANFI, Inc. ("ANFI"), which is predominately a California underwritten title company, and ANFI became a wholly-owned subsidiary of FNF. In the merger, each share of ANFI common stock (other than ANFI common stock FNF already owned) was exchanged for 0.454 shares of the Company's common stock. FNF issued 5,183,103 shares of its common stock worth approximately $136.7 million to the ANFI stockholders in the merger, net of cash acquired. The Company recorded approximately $83.6 million in goodwill and $33.1 million in other amortizable intangible assets relating to this transaction.

Acquisition of Micro General Corporation

On July 9, 2002, FNF acquired the shares it did not already own of Micro General, the Company's majority-owned public subsidiary, through the issuance of stock of a separate publicly traded majority-owned subsidiary of FNF. The value of these shares was approximately $140.4 million.

C. Investments

The carrying amounts and fair values of the Company's fixed maturity securities at December 31, 2004 and 2003 are as follows:

	December 31, 2004				
	Carrying Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
			(In thousands)		
Fixed maturity investments (available for sale):					
U.S. government and agencies	$ 707,007	$ 708,885	$ 1,058	$ (2,936)	$ 707,007
States and political subdivisions	991,696	982,794	11,975	(3,073)	991,696
Corporate debt securities	388,429	392,518	320	(4,409)	388,429
Foreign government bonds	4,189	4,178	11	—	4,189
Mortgage-backed securities	83,496	83,311	354	(169)	83,496
	$ 2,174,817	$ 2,171,686	$ 13,718	$ (10,587)	$ 2,174,817

FIDELITY NATIONAL TITLE GROUP, INC. AND SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS — (Continued)

	December 31, 2003				
	Carrying Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
			(In thousands)		
Fixed maturity investments (available for sale):					
U.S. government and agencies	$ 495,665	$ 488,694	$ 7,082	$ (111)	$ 495,665
States and political subdivisions	787,385	767,459	20,091	(165)	787,385
Corporate debt securities	269,555	268,596	2,091	(1,132)	269,555
Foreign government bonds	3,535	3,522	13	—	3,535
Mortgage-backed securities	59,564	58,294	1,271	(1)	59,564
	$ 1,615,704	$ 1,586,565	$ 30,548	$ (1,409)	$ 1,615,704

The change in unrealized gains (losses) on fixed maturities for the years ended December 31, 2004, 2003, and 2002 was $(26.1) million, $(20.6) million and $25.6 million, respectively.

The following table presents certain information regarding contractual maturities of the Company's fixed maturity securities at December 31, 2004:

	December 31, 2004			
Maturity	Amortized Cost	% of Total	Fair Value	% of Total
		(In thousands)		
One year or less	$ 342,855	15.8%	$ 343,171	15.8%
After one year through five years	1,083,385	49.9	1,084,365	49.9
After five years through ten years	405,776	18.7	407,356	18.7
After ten years	256,359	11.8	256,429	11.8
Mortgage-backed securities	83,311	3.8	83,496	3.8
	$ 2,171,686	100.0%	$ 2,174,817	100.0%
Subject to call	$ 261,289	12.0%	$ 263,741	12.1%

Fixed maturity securities valued at approximately $71.9 million and $64.6 million were on deposit with various governmental authorities at December 31, 2004 and 2003, respectively, as required by law.

Expected maturities may differ from contractual maturities because certain borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

FIDELITY NATIONAL TITLE GROUP, INC. AND SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS — (Continued)

Equity securities at December 31, 2004 and 2003 consist of investments in various industry groups as follows:

	December 31,			
	2004		2003	
	Cost	Fair Value	Cost	Fair Value
	(In thousands)			
Banks, trust and insurance companies	$ 1	$ 5	$ 1	$ 5
Industrial, miscellaneous and all other	108,573	115,065	54,400	65,402
	$ 108,574	$ 115,070	$ 54,401	$ 65,407

The carrying value of the Company's investment in equity securities is fair value. As of December 31, 2004, gross unrealized gains and gross unrealized losses on equity securities were $9.8 million and $3.3 million, respectively. Gross unrealized gains and gross unrealized losses on equity securities were $11.3 million and $0.3 million, respectively, as of December 31, 2003.

The change in unrealized gains (losses) on equity securities for the years ended December 31, 2004, 2003 and 2002 was $(4.5) million, $(0.8) million and $16.0 million, respectively.

Interest and investment income consists of the following:

	Year Ended December 31,		
	2004	2003	2002
	(In thousands)		
Cash and cash equivalents	$ 1,909	$ 1,513	$ 1,332
Fixed maturity securities	55,817	45,973	55,502
Equity securities	(44)	1,749	1,635
Short-term investments	5,435	5,594	10,624
Notes receivable	1,768	1,879	3,212
	$ 64,885	$ 56,708	$ 72,305

Net realized gains amounted to $22.9 million, $101.8 million and $0.5 million for the years ended December 31, 2004, 2003 and 2002, respectively. Included in 2003 net realized gains is a $51.7 million realized gain as a result of InterActive Corp's acquisition of Lending Tree Inc. and the subsequent sale of the Company's InterActive Corp common stock and a realized gain of $21.8 million on the sale of New Century Financial Corporation common stock. Included in 2002 net realized gains are other-than-temporary impairment losses of $5.1 million recorded on CKE Restaurants, Inc. during the fourth quarter of 2002 and $3.3 million recorded on MCI WorldCom bonds in the second quarter of 2002.

During the years ended December 31, 2004, 2003 and 2002, gross realized gains on sales of fixed maturity securities considered available for sale were $8.6 million, $17.6 million and $26.1 million, respectively; and gross realized losses were $0.3 million, $2.2 million and $7.7 million, respectively. Gross proceeds from the sale of fixed maturity securities considered available for sale amounted to $2,063.5 million, $724.4 million and $1,434.1 million during the years ended December 31, 2004, 2003 and 2002, respectively.

During the years ended December 31, 2004, 2003 and 2002, gross realized gains on sales of equity securities considered available for sale were $30.6 million, $98.9 million and $18.5 million, respectively; and gross realized losses were $23.4 million, $7.8 million and $49.9 million, respectively. Gross proceeds from the sale of equity securities amounted to $622.9 million, $760.9 million and $342.7 million during the years ended December 31, 2004, 2003 and 2002, respectively.

FIDELITY NATIONAL TITLE GROUP, INC. AND SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS — (Continued)

Gross unrealized losses on investment securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at December 31, 2004 were as follows:

	Less than 12 Months		12 Months or Longer		Total	
2004	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**
U.S. government and agencies	$ 576,655	$ (2,725)	$ 40,517	$ (211)	$ 617,172	$ (2,936)
States and political subdivisions	286,222	(2,609)	39,019	(462)	325,241	(3,071)
Mortgage-backed securities	22,309	(170)	—	—	22,309	(170)
Corporate debt securities	242,147	(2,615)	114,808	(1,794)	356,955	(4,409)
Equity securities	64,739	(1,998)	33,554	(1,332)	98,293	(3,330)
Total temporary impaired securities	$ 1,192,072	$ (10,117)	$ 227,898	$ (3,799)	$ 1,419,970	$ (13,916)

	Less than 12 Months		12 Months or Longer		Total	
2003	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**
U.S. government and agencies	$ 81,137	$ (111)	$ —	$ —	$ 81,137	$ (111)
States and political subdivisions	40,258	(165)	—	—	40,258	(165)
Mortgage-backed securities	2,782	(1)	—	—	2,782	(1)
Corporate debt securities	121,096	(1,121)	2,712	(11)	123,808	(1,132)
Equity securities	33,196	(273)	—	(73)	33,196	(346)
Total temporary impaired securities	$ 278,469	$ (1,671)	$ 2,712	$ (84)	$ 281,181	$ (1,755)

During 2004, the Company incurred an impairment charge relating to two investments that it determined to be other than temporarily impaired, which resulted in a charge of $6.8 million. Unrealized losses relating to U.S. government, state and political subdivisions and corporate securities were caused by interest rate increases. Since the decline in fair value of these investments is attributable to changes in interest rates and not credit quality, and the Company has the intent and ability to hold these securities, the Company does not consider these investments other-than-temporarily impaired.

FIDELITY NATIONAL TITLE GROUP, INC. AND SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS — (Continued)

D. Property and Equipment

Property and equipment consists of the following:

	December 31, 2004	December 31, 2003
	(In thousands)	
Land	$ 3,968	$ 4,904
Buildings	22,726	26,399
Leasehold improvements	71,475	66,042
Furniture, fixtures and equipment	348,229	301,152
	446,398	398,497
Accumulated depreciation and amortization	(281,482)	(237,129)
	$ 164,916	$ 161,368

E. Goodwill

Goodwill consists of the following:

Balance, December 31, 2002	$ 811,611
Goodwill acquired during the year	108,667
Balance, December 31, 2003	920,278
Goodwill acquired during the year	39,322
Balance, December 31, 2004	$ 959,600

F. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	December 31, 2004	December 31, 2003
	(Dollars in thousands)	
Salaries and incentives	$ 186,057	$ 164,620
Accrued benefits	218,121	165,127
Trade accounts payable	33,958	80,968
Accrued recording fees and transfer taxes	48,827	54,045
Accrued premium taxes	24,343	34,008
Other accrued liabilities	92,399	92,767
	$ 603,705	$ 591,535

G. Notes Payable

Notes payable were $22.4 million and $54.3 million at December 31, 2004 and 2003, respectively. The majority of these outstanding notes are lease-backed and other notes, secured by security interests in certain leases and underlying equipment with interest due monthly at various fixed interest rates ranging from 5.65% to 9.0%, due at various dates in 2005.

Table of Contents

H. Income Taxes

Income tax expense consists of the following:

	Year Ended December 31, 2004	2003	2002
		(In thousands)	
Current	$ 298,737	$ 311,435	$ 266,996
Deferred	24,861	96,301	9,974
	$ 323,598	$ 407,736	$ 276,970

Total income tax expense for the years ended December 31 was allocated as follows (in thousands):

	2004	2003	2002
Statement of earnings	$ 323,598	$ 407,736	$ 276,970
Other comprehensive income:			
Minimum pension liability adjustment	(6,909)	(6,401)	(10,170)
Unrealized gains on investment securities, net	(10,786)	(7,939)	15,121
Total income tax expense (benefit) allocated to other comprehensive income	(17,695)	(14,340)	4,951
Total income taxes	$ 305,903	$ 393,396	$ 281,921

A reconciliation of the federal statutory rate to the Company's effective tax rate is as follows:

	Year Ended December 31, 2004	2003	2002
Federal statutory rate	35.0%	35.0%	35.0%
Federal benefit of state taxes	(0.8)	(0.9)	(0.9)
Tax exempt interest income	(1.0)	(0.6)	(0.9)
State income taxes	2.3	2.5	2.6
Non-deductible expenses	0.6	0.5	0.1
Other	0.5	0.8	0.1
	36.6%	37.3%	36.0%

The significant components of deferred tax assets and liabilities at December 31, 2004 and 2003 consist of the following:

	December 31, 2004	2003
	(In thousands)	
Deferred Tax Assets:		
Employee benefit accruals	$ 68,278	$ 43,011
Pension	24,318	25,294
Accrued liabilities	8,474	10,480
State income taxes	10,793	12,915
Other	8,777	12,031
Lease accounting	—	3,223
Insurance reserve basis differences	—	22,051
Total deferred tax assets	120,640	129,005

FIDELITY NATIONAL TITLE GROUP, INC. AND SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS — (Continued)

	December 31, 2004	2003
	(In thousands)	
Deferred Tax Liabilities:		
Amortization of goodwill and intangible assets	(27,040)	(62,697)
Title plant	(58,141)	(54,641)
Other	(18,973)	(32,698)
Depreciation	(22,083)	(20,143)
Insurance reserve basis differences	(26,589)	—
Investment securities	(8,395)	(10,665)
Bad debts	(10,667)	(9,036)
Total deferred tax liabilities	(171,888)	(189,880)
Net deferred tax liability	$ (51,248)	$ (60,875)

Management believes that based on its historical pattern of taxable income, the Company will produce sufficient income in the future to realize its net deferred tax assets or the realization of its deferred tax assets will coincide with the turnaround in its deferred tax liabilities. A valuation allowance will be established for any portion of a deferred tax asset that management believes may not be realized. Adjustments to the valuation allowance will be made if there is a change in management's assessment of the amount of deferred tax asset that is realizable.

As of January 1, 2005 the Internal Revenue Service has selected FNF to participate in a new pilot program (Compliance Audit Program or CAP) that is a real-time audit for 2005 and future years. The Internal Revenue Service is also currently examining FNF's tax returns for years 2003 and 2002. Management believes the ultimate resolution of this examination will not result in a material adverse effect to the Company's financial position or results of operations.

I. Summary of Reserve for Claim Losses

A summary of the reserve for claim losses:

	Year Ended December 31, 2004	2003	2002
		(In thousands)	
Beginning balance	$ 932,439	$ 887,973	$ 881,053
Reserves assumed(1)	38,597	4,203	—
Claim loss provision related to:			
Current year	275,982	237,919	207,290
Prior years	(16,580)	10,915	(31,327)
Total claim loss provision	259,402	248,834	175,963
Claims paid, net of recoupments related to:			
Current year	(19,095)	(11,591)	(10,058)
Prior years	(230,597)	(196,980)	(158,985)
Total claims paid, net of recoupments	(249,692)	(208,571)	(169,043)
Ending balance	$ 980,746	$ 932,439	$ 887,973
Provision for claim losses as a percentage of title premiums	5.5%	5.3%	5.0%

(1) The Company assumed APTIC's outstanding reserve for claim losses in connection with its acquisition in 2004. The Company assumed ANFI's outstanding reserve for claim losses in connection with its acquisition in 2003.

The title loss provision in the current year reflects a higher estimated loss for the 2004 policy year offset in part by a favorable adjustment from previous policy years. Consistent with 2002, the favorable adjustment was attributable to lower than expected payment levels on previous issue years that included periods of increased resale activity as well as a high proportion of refinance business. As a result, title policies issued in previous years have been replaced by the more recently issued policies, therefore generally terminating much of the loss exposure on the previously issued policies. The unfavorable development during 2003 reflects the higher than expected payment levels on previously issued policies.

J. Commitments and Contingencies

The Company's title insurance underwriting subsidiaries are, in the ordinary course of business, subject to claims made under, and from time-to-time are named as defendants in legal proceedings relating to, policies of insurance they have issued or other services performed on behalf of insured policyholders and other customers. The Company believes that the reserves reflected in its Combined Financial Statements are adequate to pay losses and loss adjustment expenses which may result from such claims and proceedings; however, such estimates may be more or less than the amount ultimately paid when the claims are settled.

The Company has entered into various employment agreements with officers of the Company. These agreements provide for a specified salary to be paid to the officers and include incentive compensation arrangements. The agreements contain non-compete provisions. The terms of the agreements range from three to five years and normally contain extension provisions.

In the ordinary course of business, the Company is involved in various pending and threatened litigation matters related to its operations, some of which include claims for punitive or exemplary damages. The Company believes that no actions, other than those listed below, depart from customary litigation incidental to its business. As background to the disclosure below, please note the following:

- These matters raise difficult and complicated factual and legal issues and are subject to many uncertainties and complexities, including but not limited to the underlying facts of each matter, novel legal issues, variations between jurisdictions in which matters are being litigated, differences in applicable laws and judicial interpretations, the length of time before many of these matters might be resolved by settlement or through litigation and, in some cases, the timing of their resolutions relative to other similar cases brought against other companies, the fact that many of these matters are putative class actions in which a class has not been certified and in which the purported class may not be clearly defined, the fact that many of these matters involve multi-state class actions in which the applicable law for the claims at issue is in dispute and therefore unclear, and the current challenging legal environment faced by large corporations and insurance companies.

- In these matters, plaintiffs seek a variety of remedies including equitable relief in the form of injunctive and other remedies and monetary relief in the form of contractual and extra-contractual damages. In some cases, the monetary damages sought include punitive or treble damages or are not specified. Often more specific information beyond the type of relief sought is not available because plaintiffs have not requested more specific relief in their court pleadings. In those cases where plaintiffs have made a specific demand for monetary damages, they often specify damages just below a jurisdictional limit regardless of the facts of the case. This represents the maximum they can seek without risking removal from state court to federal court. In the Company's experience, monetary demands in plaintiffs' court pleadings bear little relation to the ultimate loss, if any, the Company may experience.

- For the reasons specified above, it is not possible to make meaningful estimates of the amount or range of loss that could result from these matters at this time. The Company reviews these matters on an on-going basis and follow the provisions of SFAS No. 5, "Accounting for Contingencies" when making accrual and disclosure decisions. When assessing reasonably possible and probable outcomes, the Company bases its decision on its assessment of the ultimate outcome following all appeals.
- In the opinion of the Company's management, while some of these matters may be material to the Company's operating results for any particular period if an unfavorable outcome results, none will have a material adverse effect on its overall financial condition.

Several class actions are pending in Ohio, Pennsylvania and Florida alleging improper premiums were charged for title insurance. The cases allege that the named defendant companies failed to provide notice of premium discounts to consumers refinancing their mortgages, and failed to give discounts in refinancing transactions in violation of the filed rates. The actions seek refunds of the premiums charged and punitive damages. Recently the court's order denying class certification in one of the Ohio actions was reversed and the case was remanded to the trial court for further proceedings. The Company intends to vigorously defend the actions.

A class action in California alleges that the Company violated the Real Estate Settlement Procedures Act ("RESPA") and state law by giving favorable discounts or rates to builders and developers for escrow fees and requiring purchasers to use Chicago Title Insurance Company for escrow services. The action seeks refunds of the premiums charged and additional damages. The Company intends to vigorously defend this action.

A shareholder derivative action was filed in Florida on February 11, 2005 alleging that the Company's directors and certain executive officers breached their fiduciary and other duties, and exposed the Company to potential fines, penalties and suits in the future, by permitting so called contingent commissions to obtain business. The Company and the directors and executive officers named as defendants filed Motions to Dismiss the action on June 3, 2005. The plaintiff abandoned his original complaint and responded to the motions by filing an amended Complaint on July 13, 2005, and the Company, along with the directors and executive officers named as defendants, must respond to the amended Complaint by August 29, 2005. The amended complaint repeats the allegations of the original complaint and adds allegations about "captive reinsurance" programs, which the Company continues to believe were lawful. These "captive reinsurance" programs are the subject of investigations by several state departments of insurance and attorney generals. The Company intends to vigorously defend this action.

Several state departments of insurance and attorney generals are investigating so called "captive reinsurance" programs whereby some of the Company's title insurance underwriters reinsured policies through reinsurance companies owned or affiliated with brokers, builders or bankers. Some investigating agencies claim these programs unlawfully compensated customers for the referral of title insurance business. Although the Company believed and continues to believe the programs were lawful, the programs have been discontinued. The Company recently negotiated a settlement with the California Department of Insurance with respect to that department's inquiry into captive reinsurance programs in the title insurance industry. Under the terms of the settlement, the Company will refund approximately $7.7 million to those consumers whose California property was subject to a captive reinsurance arrangement and will also pay a penalty of $5.6 million. As part of the settlement, the Company denied any wrongdoing. The Company continues to cooperate with other investigating authorities, and no other actions have been filed by the authorities against the Company or its underwriters.

In conducting its operations, the Company routinely holds customers' assets in escrow, pending completion of real estate transactions. Certain of these amounts are maintained in segregated bank accounts and have not been included in the accompanying Combined Balance Sheets. The Company has a contingent liability relating to proper disposition of these balances for our customers, which amounted to $6.6 billion at December 31, 2004. As a result of holding these customers' assets in escrow, the Company has ongoing programs for realizing economic benefits during the year through favorable borrowing and vendor arrangements with various banks. There were no investments or loans outstanding as of December 31, 2004 and 2003 related to these arrangements.

The Company leases certain of its premises and equipment under leases which expire at various dates. Several of these agreements include escalation clauses and provide for purchases and renewal options for periods ranging from one to five years.

Future minimum operating lease payments are as follows (dollars in thousands):

2005	$	109,380
2006		94,805
2007		75,338
2008		51,216
2009		28,933
Thereafter		19,699
Total future minimum operating lease payments	$	379,371

Rent expense incurred under operating leases during the years ended December 31, 2004, 2003 and 2002, was $140.8 million, $127.3 million and $105.7 million, respectively.

K. Regulation

Our insurance subsidiaries, including underwriters, underwritten title companies and independent agents, are subject to extensive regulation under applicable state laws. Each of the insurance underwriters is subject to a holding company act in its state of domicile which regulates, among other matters, the ability to pay dividends and investment policies. The laws of most states in which the Company transacts business establish supervisory agencies with broad administrative powers relating to: issuing and revoking licenses to transact business; regulating trade practices; licensing agents; approving policy forms; prescribing accounting principles and financial practices; establishing reserve and capital and surplus as regards policyholders ("capital and surplus") requirements; defining suitable investments and approving rate schedules.

Pursuant to statutory accounting requirements of the various states in which the Company's title insurance subsidiaries are licensed, they must defer a portion of premiums earned as an unearned premium reserve for the protection of policyholders and must maintain qualified assets in an amount equal to the statutory requirements. The level of unearned premium reserve required to be maintained at any time is determined by statutory formula based upon either the age, number of policies and dollar amount of policy liabilities underwritten or the age and dollar amount of statutory premiums written. As of December 31, 2004, the combined statutory unearned premium reserve required and reported for the Company's title insurance subsidiaries was $1,176.6 million.

The insurance commissioners of their respective states of domicile regulate the Company's title insurance subsidiaries. Regulatory examinations usually occur at three-year intervals, and certain of these examinations are currently ongoing.

The Company's insurance subsidiaries are subject to regulations that restrict their ability to pay dividends or make other distributions of cash or property to their immediate parent company without prior approval from the Department of Insurance of their respective states of domicile. As of December 31, 2004, $1,731.3 million of the Company's net assets are restricted from dividend payments without prior approval from the Departments of Insurance. During 2005, the Company's title insurance subsidiaries can pay or make distributions to the Company of approximately $207.5 million, without prior approval.

The combined statutory capital and surplus of the Company's title insurance subsidiaries was $887.2 million, $872.3 million and $612.6 million as of December 31, 2004, 2003 and 2002, respectively. The combined statutory earnings of the Company's title insurance subsidiaries were $371.0 million, $477.9 million and $162.6 million for the years ended December 31, 2004, 2003 and 2002, respectively.

As a condition to continued authority to underwrite policies in the states in which the Company's title insurance subsidiaries conduct their business, the subsidiaries are required to pay certain fees and file information regarding their officers, directors and financial condition. In addition, the Company's escrow and trust business is subject to regulation by various state banking authorities.

Pursuant to statutory requirements of the various states in which the Company's title insurance subsidiaries are domiciled, they must maintain certain levels of minimum capital and surplus. Each of the Company's title underwriters has complied with the minimum statutory requirements as of December 31, 2004.

The Company's underwritten title companies are also subject to certain regulation by insurance regulatory or banking authorities, primarily relating to minimum net worth. Minimum net worth of $7.5 million, $2.5 million, $3.0 million and $0.4 million is required for Fidelity National Title Company, Fidelity National Title Company of California, Chicago Title Company and Ticor Title Company of California, respectively. The Company is in compliance with all of its respective minimum net worth requirements at December 31, 2004.

L. Employee Benefit Plans

Stock Purchase Plan

The Company's employees participate in the Fidelity National Financial, Inc. Employee Stock Purchase Plan (ESPP). Under the terms of the ESPP and subsequent amendments, eligible employees may voluntarily purchase, at current market prices, shares of FNF's common stock through payroll deductions. Pursuant to the ESPP, employees may contribute an amount between 3% and 15% of their base salary and certain commissions. Shares purchased are allocated to employees, based upon their contributions. The Company contributes varying matching amounts as specified in the ESPP. The Company recorded $8.6 million, $11.5 million, and $7.9 million, respectively, for the years ended December 31, 2004, 2003 and 2002 relating to the participation of the FNT employees in the ESPP.

401(k) Profit Savings Plan

The Company's employees are covered by a qualified 401(k) plan sponsored by FNF. Eligible employees may contribute up to 40% of their pretax annual compensation, up to the amount allowed pursuant to the Internal Revenue Code. FNF generally matches 50% of each dollar of employee contribution up to 6% of the employee's total eligible compensation. The Company recorded $20.1 million, $19.0 million, and $15.3 million, respectively, for the years ended December 31, 2004, 2003 and 2002 relating to the participation of FNT employees in the 401(k) plan.

Stock Option Plans

Certain Company employees are participants in FNF's stock-based compensation plans, which provide for the granting of incentive and nonqualified stock options, restricted stock and other stock-based incentive awards for officers and key employees. Grants of incentive and nonqualified stock options under these plans have generally provided that options shall vest equally over three years and generally expire ten years after their original date of grant. All options granted under these plans had an exercise price equal to the market value of the underlying common stock on the date of grant. However, certain of these plans allow for the option exercise price for each share granted pursuant to a nonqualified stock option to be less than the fair market value of the common stock on the date of grant to reflect the application of the optionee's deferred bonus, if applicable.

In 2003, FNF issued to certain Company employees rights to purchase shares of restricted common stock (Restricted Shares). A portion of the Restricted Shares vest over a five-year period and a portion of the Restricted Shares vest over a four-year period, of which one-fifth vested immediately on the date of grant. The Company recorded stock-based compensation expense of $2.6 million and $1.6 million in connection with the issuance of Restricted Shares to FNT employees for the years ended December 31, 2004 and 2003 which was based on an allocation of compensation expense to the Company for personnel who provided services to the Company.

The Company follows the fair value recognition provisions of Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation (SFAS No. 123), for stock-based employee compensation. Under the fair value method of accounting, compensation cost is measured based on the fair value of the award at the grant date and recognized over the service period. The Company has elected to use the prospective method of transition, as permitted by Statement of Financial Accounting Standards No. 148, Accounting for Stock-Based Compensation — Transition and Disclosure (SFAS No. 148). Under this method, stock-based employee compensation cost is recognized from the beginning of 2003 as if the fair value method of accounting had been used to account for all employee awards granted, modified, or settled in years beginning after December 31, 2002. The Company was allocated stock-based compensation expense of $5.4 million and $4.9 million for the years ended December 31, 2004 and 2003 which is included in personnel costs in the Combined Statements of Earnings, as a result of the adoption of SFAS No. 123.

Pro forma information regarding net earnings and earnings per share is required by SFAS No. 123, and has been determined as if the Company had accounted for all of its employee stock options under the fair value method of that statement. The fair value for these FNF options was estimated at the date of grant using a Black-Scholes option-pricing model with the following weighted average assumptions. The risk free interest rates used in the calculation are the rates that correspond to the weighted average expected life of an option. The risk free interest rate used for options granted during the years ended December 31, 2004, 2003 and 2002 was 3.2%, 2.0% and 2.0%, respectively. A volatility factor for the expected market price of FNF common stock of 34%, 43% and 44% was used for options granted for the years ended December 31, 2004, 2003 and 2002, respectively. The expected dividend yield used for 2004, 2003, and 2002 was 2.5%, 1.4% and 1.3%, respectively. A weighted average expected life of 3.8 years, 3.5 years and 3.25 years was used for 2004, 2003 and 2002 respectively.

Other disclosures required by SFAS No. 123 have not been provided because the SFAS No. 123 pro forma expense disclosures were prepared based upon an allocation methodology that allocates to the Company expenses associated with portions of individual awards, rather than entire awards.

FIDELITY NATIONAL TITLE GROUP, INC. AND SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS — (Continued)

Pension Plans

In connection with the Chicago Title merger, the Company assumed Chicago Title's noncontributory defined benefit pension plan (the "Pension Plan").

The Pension Plan covered certain Chicago Title employees. Plan benefits are based on years of service and the employee's average monthly compensation in the highest 60 consecutive calendar months during the 120 months ending at retirement or termination. Effective December 31, 2000, the Pension Plan was frozen and there will be no future credit given for years of service or changes in salary.

The following table sets forth the funded status of the Pension Plan as of December 31, 2004, 2003 and 2002:

	2004	2003	2002
		(In thousands)	
Change in Benefit Obligation:			
Net benefit obligation at beginning of year	$ 131,984	$ 111,132	$ 103,268
Service cost	—	—	—
Interest cost	8,650	8,104	7,582
Actuarial loss	20,918	20,676	16,085
Gross benefits paid	(11,297)	(7,928)	(15,803)
Net benefit obligation at end of year	$ 150,255	$ 131,984	$ 111,132
Change in Pension Plan Assets:			
Fair value of plan assets at beginning of year	$ 77,700	$ 66,232	$ 76,019
Actual return on plan assets	2,811	7,196	(7,595)
Employer contributions	18,000	12,200	13,611
Gross benefits paid	(11,297)	(7,928)	(15,803)
Fair value of plan assets at end of year	$ 87,214	$ 77,700	$ 66,232
Funded status at end of year	$ (63,041)	$ (54,284)	$ (44,900)
Unrecognized net actuarial loss	80,261	61,588	45,173
Net amount recognized at end of year	$ 17,220	$ 7,304	$ 273

The accumulated benefit obligation (ABO) is the same as the projected benefit obligation (PBO) due to the pension plan being frozen as of December 31, 2000.

Under Statement of Financial Accounting Standards No. 87, "Employers' Accounting for Pensions," ("SFAS No. 87") the measurement date shall be as of the date of the financial statements, or if used consistently from year to year, as of a date not more than three months prior to that date. The Company's measurement date is December 31.

The net pension liability included in accounts payable and accrued liabilities as of December 31, 2004 and 2003 is $63.0 million and $54.2 million, respectively. The net pension liability at December 31, 2004 and 2003 includes the additional minimum pension liability adjustment of $18.7 million and $16.4 million, respectively, which was recorded as a net of tax charge of $11.8 million and $10.0 million to accumulated other comprehensive earnings (loss) in 2004 and 2003 in accordance with SFAS No. 87.

The components of net periodic (income) expense included in the results of operations for 2004, 2003 and 2002 are as follows:

	2004	2003	2002
		(In thousands)	
Service cost	$ —	$ —	$ —
Interest cost	8,650	8,104	7,582
Expected return on assets	(7,570)	(7,128)	(7,639)
Amortization of actuarial loss	7,004	4,193	634
Total net periodic (income) expense	$ 8,084	$ 5,169	$ 577
One time charges:			
Settlement charge	—	—	4,604
Total net expense	$ 8,084	$ 5,169	$ 5,181

Pension Assumptions

Weighted-average assumptions used to determine benefit obligations at December 31, are as follows:

	2004	2003
Discount rate	5.75%	6.25%
Rate of compensation increase	N/A(a)	N/A(a)

Weighted-average assumptions used to determine net expense for years ended December 31 are as follows:

	2004	2003	2002
Discount rate	6.25%	6.75%	7.25%
Expected return on plan assets	8.5%	8.5%	9.0%
Rate of compensation increase	N/A(a)	N/A(a)	N/A(a)

(a) Rate of compensation increase is not applicable due to the pension being frozen at December 31, 2000.

Pension Plan Assets

The expected long term rate of return on plan assets was 8.5% in 2004 and 2003, derived using the plan’s asset mix, historical returns by asset category, expectations for future capital market performance, and the fund’s past experience. Both the plan’s investment policy and the expected long-term rate of return assumption are reviewed periodically. The Company’s strategy is to focus on a one to three-year investment horizon, maintaining equity securities at 50-55% of total assets while maintaining an average duration in debt securities, extending that duration as interest rates rise and maintaining cash funds at appropriate levels relating to the current economic environment.

FIDELITY NATIONAL TITLE GROUP, INC. AND SUBSIDIARIES

NOTES TO COMBINED FINANCIAL STATEMENTS — (Continued)

The Company's pension plan asset allocation at December 31, 2004 and 2003 and target allocation for 2005 are as follows:

Asset Category	Target Allocation 2005	Percentage of Plan Assets 2004	2003
Equity securities	50–55%	—	58.7%
Debt securities	15–25	—	18.8
Insurance annuities	10–20	—	13.9
Other (Cash)	5–25%	100.0%(a)	8.6
Total		100.0%	100.0%

(a) Investments were all cash at December 31, 2004 as the Company was in the process of transferring the assets from one investment manager to another.

The Company does not hold any investments in its own equity securities within its pension plan assets.

Pension Plan Cash Flows

Plan Contributions

The Company's funding policy is to contribute annually at least the minimum required contribution under the Employee Retirement Income Security Act (ERISA). Contributions are intended to provide not only for benefits accrued to date, but also for those expected to be earned in the future. In 2004 and 2003, the Company made contributions of $18.0 million and $12.2 million, respectively. Due to regulatory requirements, the Company is not required to make a contribution to the pension plan in 2005. The Company has not yet determined if a voluntary contribution to the plan will be made in 2005.

Plan Benefit Payments

A detail of actual and expected benefit payments is as follows (in thousands):

Actual Benefit Payments	
2003	$ 7,928
2004	11,927
Expected Future Payments	
2005	$ 10,164
2006	9,959
2007	10,094
2008	10,232
2009	10,179
2010–2014	51,614

Postretirement Plans

The Company assumed certain health care and life insurance benefits for retired Chicago Title employees in connection with the Chicago Title merger. Beginning on January 1, 2001, these benefits were offered to all employees who meet specific eligibility requirements. The costs of these benefit plans are accrued during the periods the employees render service.

The Company is both self-insured and fully insured for its postretirement health care and life insurance benefit plans, and the plans are not funded. The health care plans provide for insurance benefits after retirement and are generally contributory, with contributions adjusted annually. Postretirement life insurance benefits are contributory, with coverage amounts declining with increases in a retiree's age.

The accrued cost of the accumulated postretirement benefit obligation included in the Company's Combined Balance Sheets at December 31, 2004, 2003 and 2002 is as follows:

	2004	2003	2002
		(In thousands)	
Change in Benefit Obligation:			
Net benefit obligation at beginning of year	$ 22,684	$ 22,757	$ 22,405
Service cost	205	221	247
Interest cost	1,281	1,405	1,546
Plan participants' contributions	1,513	1,646	1,643
Plan amendments	—	—	—
Actuarial (gain) loss	(348)	537	360
Gross benefits paid	(3,895)	(3,882)	(3,444)
Net benefit obligation at end of year	$ 21,440	$ 22,684	$ 22,757
Change in Plan Assets:			
Fair value of plan assets at beginning of year	$ —	$ —	$ —
Employer contributions	2,382	2,236	1,801
Plan participants' contributions	1,513	1,646	1,643
Gross benefits paid	(3,895)	(3,882)	(3,444)
Fair value of plan assets at end of year	$ —	$ —	$ —
Funded status at end of year	$ (21,440)	$ (22,684)	$ (22,757)
Unrecognized net actuarial loss	4,533	5,212	4,950
Unrecognized prior service cost	(1,610)	(4,315)	(7,019)
Net accrued cost of accumulated postretirement benefit obligation included in accounts payable and accrued liabilities	$ (18,517)	$ (21,787)	$ (24,826)

In December 2003, the Medicare Prescription Drug Improvement and Modernization Act of 2003 ("the Act") became law in the United States. The Act introduces a prescription drug benefit under Medicare as well as a federal subsidy to sponsors of retiree health care plans that provide a benefit that is at least actuarially equivalent to the Medicare benefit. The Company has elected to recognize the effects of the Act in measures of the benefit obligation and cost.

Under Statement of Financial Accounting Standards No. 106, "Accounting for Postretirement Benefits Other Than Pensions," the measurement date shall be as of the date of the financial statements, or if used consistently from year to year, as of a date not more than three months prior to that date. The Company's measurement date is December 31.

The Company's postretirement health care and life insurance costs included in the results of operations for 2004, 2003 and 2002 are as follows:

	2004	2003	2002
		(In thousands)	
Service cost	$ 205	$ 221	$ 247
Interest cost	1,281	1,405	1,546
Amortization of prior service cost	(2,704)	(2,704)	(2,704)
Amortization of actuarial loss	330	274	330
Total net periodic (income) expense	$ (888)	$ (804)	$ (581)
One time charges:			
Curtailment charge (credit)	—	—	—
Total net benefit (income) expense	$ (888)	$ (804)	$ (581)

Postretirement Benefit Assumptions

Weighted-average assumptions used to determine benefit obligations at December 31 are as follows:

	2004	2003
Discount rate	5.75%	6.25%
Health care cost trend rate assumed for next year	9%	10%
Rate that the cost trend rate gradually declines to	5%	5%
Year that the rate reaches the rate it is assumed to remain at	2009	2009

Weighted-average assumptions used to determine net expense for years ended December 31 are as follows:

	2004	2003	2002
Discount rate	6.25%	6.75%	7.25%
Health care cost trend rate assumed for next year	10%	11%	12%
Rate that the cost trend rate gradually declines to	5%	5%	5%
Year that the rate reaches the rate it is assumed to remain at	2009	2009	2009

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	One-Percentage-Point Increase	One-Percentage-Point Decrease
	(In thousands)	
Effect on total of service and interest cost	$ 87	$ (79)
Effect on postretirement benefit obligation	$ 1,156	$ (1,047)

Postretirement Cash Flows

A detail of actual and expected benefit payments is as follows (in thousands):

Benefit Payments		
2003	$	2,236
2004		1,513
Expected Future Payments		
2005	$	2,145
2006		2,328
2007		2,481
2008		2,579
2009		2,598
2010-2014		11,446

M. Supplementary Cash Flow Information

The following supplemental cash flow information is provided with respect to interest and tax payments, as well as certain non-cash investing and financing activities.

	Year Ended December 31,		
	2004	2003	2002
		(In thousands)	
Cash paid during the year:			
Interest	$ 3,934	$ 4,725	$ 12,822
Acquisitions:			
Fair value of assets acquired	$ 162,245	$ 217,132	$ 129,841
Less: Liabilities assumed	46,533	48,543	29
Total purchase price	115,712	168,589	129,812
Less: Cash purchase price, net of cash acquired	115,712	8,352	(10,633)
Non-cash purchase price	$ —	$ 160,237	$ 140,445
Other non-cash contributions of capital primarily stock option allocation	$ 4,276	$ 3,491	$ 1,061
Total non-cash contribution of capital	$ 4,276	$ 163,728	$ 141,506

N. Financial Instruments with Off-Balance Sheet Risk and Concentration of Risk

In the normal course of business the Company and certain of its subsidiaries enter into off-balance sheet credit risk associated with certain aspects of its title insurance business and other activities.

The Company generates a significant amount of title insurance premiums in California, Texas and Florida. In 2004, 2003 and 2002, California, Texas and Florida accounted for 22.4%, 10.9% and 10.3%, 25.2%, 11.2% and 6.6% and 25.2%, 12.1% and 6.1% of total title premiums, respectively.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash equivalents, short-term investments, lease receivables, residual interests in securitizations and trade receivables.

The Company places its cash equivalents and short-term investments with high credit quality financial institutions and, by policy, limits the amount of credit exposure with any one financial institution. Investments in commercial paper of industrial firms and financial institutions are rated investment grade by nationally recognized rating agencies.

Concentrations of credit risk with respect to trade receivables are limited because a large number of geographically diverse customers make up the Company's customer base, thus spreading the trade receivables credit risk. The Company controls credit risk through monitoring procedures.

O. Recent Accounting Pronouncements

In December 2004, the FASB issued FASB Statement No. 123R ("SFAS No. 123R"), "Share-Based Payment", which requires that compensation cost relating to share-based payments be recognized in the Company's financial statements. During 2003, the Company adopted the fair value recognition provision of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123"), for stock-based employee compensation, effective as of the beginning of 2003. The Company had elected to use the prospective method of transition, as permitted by Statement of Financial Accounting Standards No. 148, "Accounting for Stock-Based Compensation — Transition and Disclosure" ("SFAS No. 148"). Under this method, stock-based employee compensation cost is recognized from the beginning of 2003 as if the fair value method of accounting had been used to account for all employee awards granted, modified, or settled in years beginning after December 31, 2002. SFAS No. 123R does not allow for the prospective method, but requires the recording of expense relating to the vesting of all unvested options beginning in the first quarter of 2006. Since the Company adopted SFAS No. 123 in 2003, the impact of recording additional expense in 2006 under SFAS No. 123R relating to options granted prior to January 1, 2003 will not be significant. SFAS No. 123R will be effective for the Company January 1, 2006.

FIDELITY NATIONAL TITLE GROUP, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED COMBINED BALANCE SHEETS

	As of June 30, 2005	As of December 31, 2004
	(In thousands)	
ASSETS		
Investments:		
Fixed maturities available for sale, at fair value, at June 30, 2005 includes $296,814 and $141,090 of pledged fixed maturities relating to secured trust deposits and securities lending program, respectively and December 31, 2004 includes $265,639 of pledged fixed maturity securities related to secured trust deposits	$ 2,525,060	$ 2,174,817
Equity securities, at fair value at June 30, 2005 includes $1,699 of pledged equities related to securities lending program	142,883	115,070
Other long-term investments	20,884	21,219
Short-term investments, at June 30, 2005 and December 31, 2004 includes $393,286 and $280,351, respectively, of pledged short-term investments related to secured trust deposits	735,983	508,383
Total investments	3,424,810	2,819,489
Cash and cash equivalents, at June 30, 2005 and December 31, 2004 includes $370,771 and $195,200, respectively, of pledged cash related to secured trust deposits	614,555	268,414
Trade receivables, net of allowance of $11,252 at June 30, 2005 and $11,792 at December 31, 2004	185,751	145,447
Notes receivable, net of allowance of $1,990 at June 30, 2005 and $1,740 at December 31, 2004. Balances include notes from related parties of $22,800 at June 30, 2005 and December 31, 2004	37,818	39,196
Goodwill	962,587	959,600
Prepaid expenses and other assets	310,221	311,730
Title plants	303,332	301,610
Property and equipment, net	134,304	164,916
Due from FNF	—	63,689
	$ 5,973,378	$ 5,074,091
LIABILITIES AND EQUITY		
Liabilities:		
Accounts payable and accrued liabilities	$ 782,859	$ 603,705
Notes payable	7,802	22,390
Reserve for claim losses	984,290	980,746
Secured trust deposits	1,057,166	735,295
Deferred tax liabilities	83,109	51,248
Due to FNF	8,894	—
	2,924,120	2,393,384
Minority interests	4,643	3,951
Equity:		
Investment by FNF	3,096,617	2,719,056
Accumulated other comprehensive loss	(52,002)	(42,300)
	3,044,615	2,676,756
	$ 5,973,378	$ 5,074,091

See Notes to Unaudited Condensed Combined Financial Statements.

FIDELITY NATIONAL TITLE GROUP, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED COMBINED STATEMENTS OF EARNINGS

	Six Months Ended June 30,	
	2005	2004
	(In thousands, except per share amounts)	
Revenue:		
Direct title insurance premiums	$ 1,017,396	$ 987,019
Agency title insurance premiums, includes $42.8 million and $74.5 million of premiums from related parties for the six months ended June 30, 2005 and 2004, respectively (see Note A)	1,304,200	1,348,430
Total title premiums	2,321,596	2,335,449
Escrow and other title related fees, includes $5.0 million and $2.9 million of revenue from related parties for the six months ended June 30, 2005 and 2004, respectively (see Note A)	543,465	514,019
Total title and escrow	2,865,061	2,849,468
Interest and investment income, includes $0.4 million and $0.2 million of interest revenue from related parties for the six months ended June 30, 2005 and 2004, respectively (see Note A)	45,430	28,163
Realized gains and losses, net	21,922	17,044
Other income	20,020	21,573
	$ 2,952,433	$ 2,916,248
Expenses:		
Personnel costs, excludes $12.2 million and $15.5 million of personnel costs allocated to related parties for the six months ended June 30, 2005 and 2004, respectively (see Note A)	904,603	838,063
Other operating expenses, includes $44.3 million and $34.0 million of other operating expenses from related parties net of amounts allocated to related parties for the six months ended June 30, 2005 and 2004, respectively (see Note A)	451,093	422,113
Agent commissions, includes agent commissions of $37.7 million and $65.6 million paid to related parties for the six months ended June 30, 2005 and 2004, respectively (see Note A)	1,005,121	1,046,601
Depreciation and amortization	49,389	44,193
Provision for claim losses	150,677	125,010
Interest expense	724	2,256
	2,561,607	2,478,236
Earnings before income taxes and minority interest	390,826	438,012
Income tax expense	146,637	160,312
Earnings before minority interest	244,189	277,700
Minority interest	1,292	455
Net earnings	$ 242,897	$ 277,245

See Notes to Unaudited Condensed Combined Financial Statements.

FIDELITY NATIONAL TITLE GROUP, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED COMBINED STATEMENTS OF EQUITY AND COMPREHENSIVE EARNINGS

	Investment by FNF	Accumulated Other Comprehensive Loss	Total Equity	Comprehensive Earnings
		(In thousands)		
Balance, December 31, 2004	$ 2,719,056	$ (42,300)	$ 2,676,756	$ —
Other comprehensive earnings — unrealized loss on investments — net of tax	—	(9,702)	(9,702)	(9,702)
Net contribution of capital	134,664	—	134,664	—
Net earnings	242,897	—	242,897	242,897
Balance, June 30, 2005	$ 3,096,617	$ (52,002)	$ 3,044,615	$ 233,195

See Notes to Unaudited Condensed Combined Financial Statements.

FIDELITY NATIONAL TITLE GROUP, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED COMBINED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
	(In thousands)	
Cash Flows From Operating Activities:		
Net earnings	$ 242,897	$ 277,245
Adjustment to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	49,389	44,193
Net increase (decrease) in reserve for claim losses	3,544	16,863
Gain on sales of investments and other assets	(21,922)	(17,044)
Stock-based compensation cost	—	—
Changes in assets and liabilities, net of effects from acquisitions:		
Net increase (decrease) in secured trust deposits	2,190	(1,121)
Net increase in trade receivables	(40,304)	(9,838)
Net (increase) decrease in prepaid expenses and other assets	12,847	(20,237)
Net increase (decrease) in accounts payable, accrued liabilities and minority interests	33,533	(91,577)
Net increase in income taxes	109,001	178,073
Net cash provided by operating activities	391,175	376,557
Cash Flows From Investing Activities:		
Proceeds from sales of investment securities available for sale	1,339,841	983,368
Proceeds from maturities of investment securities available for sale	150,102	89,701
Proceeds from sales of real estate, property and equipment	30,519	4,189
Cash received as collateral on loaned securities, net	2,951	—
Collections of notes receivable	8,609	2,762
Additions to title plants	(2,071)	(6,052)
Additions to property and equipment	(31,207)	(30,557)
Additions to capitalized software	(2,986)	(3,001)
Additions to notes receivable	(7,731)	(4,314)
Purchases of investment securities available for sale	(1,598,705)	(1,388,303)
Net proceeds of short-term investment activities	(224,185)	227,937
Acquisition of businesses, net of cash acquired	(5,018)	(110,822)
Net cash used in investing activities	(339,881)	(235,092)
Cash Flows From Financing Activities:		
Debt service payments	(14,588)	(17,655)
Dividends paid	(11,240)	(159,600)
Net contribution from (distribution to) FNF	145,104	(28,119)
Net cash provided by (used in) financing activities	119,276	(205,374)
Net (decrease) increase in cash and cash equivalents, excluding pledged cash related to secured trust deposits	170,570	(63,909)
Cash and cash equivalents, excluding pledged cash related to secured trust deposits, at beginning of year	73,214	164,715
Cash and cash equivalents, excluding pledged cash related to secured trust deposits, at end of year	$ 243,784	$ 100,806

See Notes to Unaudited Condensed Combined Financial Statements.

Table of Contents

FIDELITY NATIONAL TITLE GROUP, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS

A. Basis of Financial Statements

The unaudited condensed combined financial information included in this report includes the accounts of Fidelity National Title Group, Inc. and subsidiaries has been prepared in accordance with generally accepted accounting principles. All adjustments considered necessary for a fair presentation have been included. This report should be read in conjunction with the Company's combined financial statements included elsewhere in this document.

Description of Business

Fidelity National Financial, Inc. (FNF) expects to initiate a distribution of 17.5% of its interest in FNT to existing shareholders in the third quarter of 2005. FNT represents the title insurance segment of FNF.

FNT is currently a wholly-owned subsidiary of FNF. Once certain regulatory approvals are received all of the legal entities that are being combined for presentation in these historical financial statements will be contributed to FNT, which will be 100% owned by FNF. FNF will then distribute to its current shareholders 0.175 shares of FNT Class A common stock for each share of FNF common stock held on the record date and FNF will beneficially own 100% of the FNT Class B common stock representing 82.5% of the Company's outstanding common stock. FNT Class B common stock will have ten votes per share while FNT Class A common stock will have one vote per share. Based on FNF having approximately 173 million outstanding shares, there will be approximately 30.3 million Class A common shares outstanding and 142.7 million Class B common shares outstanding. Following the distribution FNF will control 97% of the voting rights of FNT.

Prior to the distribution the Company intends to issue two $250 million intercompany notes payable to FNF, with terms that mirror FNF's existing $250 million 7.30% public debentures due in August 2011 and $250 million 5.25% public debentures due in March 2013. Proceeds from the issuance of the 2011 public debentures were used by FNF to repay debt incurred in connection with the acquisition of the Company's subsidiary, Chicago Title, and the proceeds from the 2013 public debentures were used for general corporate purposes. Following the issuance of the intercompany notes, the Company may make an exchange offer in which the Company would offer to exchange the outstanding FNF notes for notes the Company would issue having substantially the same terms and deliver the FNF notes received to FNF to reduce the debt under the intercompany notes. The Company also plans to enter into a credit agreement in the amount of between $200 million and $300 million. The Company currently anticipates that prior to the distribution it would borrow $150 million under this facility and pay it to FNF in satisfaction of a $150 million intercompany note issued by one of the Company's subsidiaries to FNF in August 2005. Upon completion of the distribution, FNF will also continue to own its other operating businesses, including Fidelity National Information Services, Inc. ("FIS"), which provides software and servicing solutions for the financial services and real estate industries, and Fidelity National Insurance Company ("FNIC"), which operates various specialty lines of insurance, including flood, homeowners, automobile and certain niche personal lines.

Fidelity National Title Group, Inc., through its principal subsidiaries, is the largest title insurance company in the United States. The Company's title insurance underwriters — Fidelity National Title, Chicago Title, Ticor Title, Security Union Title and Alamo Title — together issue all of the Company's title insurance policies in 49 states, the District of Columbia, Guam, Puerto Rico, the U.S. Virgin Islands, and in Canada and Mexico. The Company operates its business through a single segment, title and escrow, and does not generate significant revenue outside the United States. Although the Company earns title premiums on residential and commercial sale and refinance real estate transactions, the Company does not separately track its revenues from these various types of transactions.

Principles of Consolidation and Basis of Presentation

The accompanying Combined Financial Statements include those assets, liabilities, revenues, and expenses directly attributable to the Company's operations and allocations of certain FNF corporate assets, liabilities and expenses to the Company. These amounts have been allocated to the Company on a basis that is considered by management to reflect most fairly the utilization of services provided to or the benefit obtained by the Company. Management believes the methods used to allocate these amounts are reasonable. All intercompany profits, transactions and balances between the combined entities have been eliminated. The Company's investments in non-majority-owned partnerships and affiliates are accounted for on the equity method. All dollars presented herein are in thousands unless otherwise noted.

Transactions with Related Parties

The Company's historical financial statements reflect transactions with other businesses and operations of FNF not being transferred to it, including those being conducted by another FNF subsidiary, Fidelity National Information Services, Inc. ("FIS").

A detail of related party items included in revenues is as follows:

	2005	2004
	(In millions)	
Agency title premiums earned	$ 42.8	$ 74.5
Rental income earned	5.0	2.9
Interest revenue	0.4	0.2
Total revenue	$ 48.2	$ 77.6

A detail of related party items included in operating expenses is as follows:

Agency title commissions	$ 37.7	$ 65.6
Data processing costs	24.7	29.1
Corporate services allocated	(36.1)	(37.1)
Title insurance information expense	11.2	15.3
Other real-estate related information	$ 8.5	$ 4.6
Software expense	3.6	3.0
Rental expense	1.7	1.1
Total expenses	$ 51.3	$ 81.6
Total pretax impact of related party activity	$ (3.1)	$ (4.0)

Included as a reduction of expenses for all periods are payments from FNF and FIS relating to the provision by FNT of corporate services to FNF and to FIS and its subsidiaries. These corporate services include accounting, internal audit and treasury, payroll, human resources, tax, legal, purchasing, risk management, mergers and acquisitions and general management. For the six months ended June 30, 2005 and 2004, the Company's expenses were reduced by $2.3 million and $4.6 million, respectively related to the provision of these corporate services by the Company to FNF and its subsidiaries (other than FIS and its subsidiaries). For the six months ended June 30, 2005 and 2004, the Company's expenses were reduced by $33.8 million and $32.5 million related to the provision of these corporate services by the Company to FIS and its subsidiaries.

The Company does business with the lender outsourcing solutions segment of FIS. This segment's services include title agency functions whereby an FIS subsidiary acts as the title agent in the issuance of title insurance policies by a title insurance underwriter owned by the Company and in connection with certain trustee sales guarantees, a form of title insurance issued as part of the foreclosure process. As a result, the Company's title insurance subsidiaries pay commissions on title insurance policies sold through FIS. For the six months ended June 30, 2005 and 2004, these FIS operations generated $42.8 million and $74.5 million of revenues for the Company, which the Company records as agency title premiums. The Company pays FIS commissions at the rate of 88% of premiums generated, equal to $37.7 million and $65.6 million for the six months ended June 30, 2005 and 2004, respectively.

The Company also has historically leased equipment to a subsidiary of FIS. Revenue relating to these leases was $5.0 million and $2.9 million for the six months ended June 30, 2005 and 2004, respectively.

The title plant assets of several of the Company's title insurance subsidiaries are managed or maintained by a subsidiary of FIS. The underlying title plant information and software continues to be owned by each of the Company's title insurance underwriters, but FIS manages and updates the information in return for either (i) a cash management fee or (ii) the right to sell that information to title insurers, including title insurance underwriters that the Company owns and other third party customers. In most cases, FIS is responsible for keeping the title plant assets current and fully functioning, for which the Company pays a fee to FIS based on the Company's use of, or access to, the title plant. For the six months ended June 30, 2005 and 2004, the Company's payments to FIS under these arrangements were $12.6 million and $15.3 million, respectively. In addition, since November 2004, each applicable title insurance underwriter in turn receives a royalty on sales of access to its title plant assets. For the six months ended June 30, 2005, the revenues from these title plant royalties were $1.4 million. In the first six months of 2004, there was no royalty agreement in place. In addition, the Company has entered into agreements with FIS that permit FIS and certain of its subsidiaries to access and use (but not to re-sell) the starters databases and back plant databases of the Company's title insurance subsidiaries. Starters databases are the Company's databases of previously issued title policies and back plant databases contain historical records relating to title that are not regularly updated. Each of the Company's applicable title insurance subsidiaries receives a fee for any access or use of its starters and back plant databases by FIS. The Company also does business with additional entities within the information services segment of FIS that provide real estate information to the Company's operations. The Company recorded expenses of $5.9 million and $4.6 million for the six months periods ended June 30, 2004 and 2004, respectively. The Company also recorded expense of $2.6 million relating to a cost sharing agreement with a subsidiary of FIS in the six months ended June 30, 2005.

Included in the Company's expenses for the six months ended June 30, 2005 and 2004 are amounts paid to a subsidiary of FIS for the provision by FIS of IT infrastructure support, data center management and related IT support services. For the six months ended June 30, 2005 and 2004, the amounts included in the Company's expenses to FIS for these services were $24.7 million and $29.1 million, respectively. In addition, the Company incurred software expenses relating to an agreement with a subsidiary of FIS that amounted to expense of $3.6 million and $3.0 million for the six months ended June 30, 2005 and 2004, respectively.

The Company believes the amounts earned by the Company or charged to the Company under each of the foregoing arrangements are fair and reasonable. Although the commission rate paid on the title insurance premiums written by the FIS title agencies was set without negotiation, the Company believes the commissions earned are consistent with the average rate that would be available to a third party title agent given the amount and the geographic distribution of the business produced and the low risk of loss profile of the business placed. In connection with the title plant management and maintenance services provided by FIS, the Company believes that the fees charged to the Company by FIS are at approximately the same rates that FIS and other similar vendors charge unaffiliated title insurers. The IT infrastructure support and data center management services provided to the Company by FIS is priced within the range of prices that FIS offers to its unaffiliated third party customers for the same types of services. However, the amounts the Company earned or were charged under these arrangements were not negotiated at arm's-length, and may not represent the terms that the Company might have obtained from an unrelated third party.

Notes receivable and due from FNF to the Company were as follows:

	June 30, 2005	December 31, 2004
	(In millions)	
Notes receivable from FNF	$ 22.8	$ 22.8
(Due to) Due from FNF	$ (8.9)	$ 57.4

The Company has notes receivable from FNF relating to agreements between its title underwriters and FNF. These notes amounted to $22.8 million at June 30, 2005 and December 31, 2004. As of June 30, 2005, these notes bear interest at a rate of 2.66%. The Company earned interest revenue of $0.4 million and $0.2 million relating to these notes during the six months ended March 31, 2005 and 2004, respectively.

The Company is included in FNF's consolidated tax returns and thus any income tax liability or receivable is due to/from FNF. As of June 30, 2005 and December 31, 2004, the Company had recorded a payable of $8.9 million to FNF and a receivable from FNF relating to overpayment of taxes of $57.4 million, respectively.

The Company will also enter into a services agreement with a subsidiary of FIS, pursuant to which FIS will continue to provide IT infrastructure support and data center management services to the Company. The pricing for these services is consistent with that charged in 2004. When FIS ceases to provide these services to the Company, the Company's costs of performing these services ourselves or of procuring them from third parties may increase.

Our financial statements for 2005 and 2004 reflect allocations for a lease of office space to the Company for its corporate headquarters and business operations. In connection with the distribution, the Company will enter into a lease with FIS, pursuant to which FIS will lease office space to the Company for its corporate headquarters and business operations.

B. Acquisitions

The results of operations and financial position of the entities acquired during any year are included in the Combined Financial Statements from and after the date of acquisition. The Company generally employs an outside third party valuation firm to value the identifiable intangible and tangible assets and liabilities of each of its acquisitions. Based on this valuation any differences between the fair value of the indentifiable assets and liabilities and the purchase price paid is recorded as goodwill.

Service Link LLC

On July 29, 2005, the Company acquired Service Link, L.P. ("Service Link"), a national provider of centralized mortgage and residential real estate title and closing services to major financial institutions and institutional lenders. The acquisition price was approximately $110 million in cash.

American Pioneer Title Insurance Company

On March 22, 2004, FNT acquired American Pioneer Title Insurance Company ("APTIC") for $115.2 million in cash, subject to certain equity adjustments. APTIC is a 45-state licensed title insurance underwriter with significant agency operations and computerized title plant assets in the state of Florida. APTIC operates under the Company's Ticor Title brand. The Company recorded approximately $34.5 million in goodwill and approximately $10.6 in other intangible assets relating to this transaction.

C. Investments

During the second quarter of 2005, the Company began lending fixed maturity and equity securities to financial institutions in short-term security lending transactions. The Company's security lending policy requires that the cash received as collateral be 102% or more of the fair value of the loaned securities. These short-term security lending arrangements increase investment income with minimal risk. At June 30, 2005, the Company had security loans outstanding with a fair value of $142.8 million included in accounts payable and accrued liabilities and the Company held cash in the amount of $147.5 million as collateral for the loaned securities.

Gross unrealized losses on investment securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at June 30, 2005 were as follows:

	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. government and agencies	$ 438,772	$ (2,934)	$ 385,567	$ (2,217)	$ 824,339	$ (5,151)
States and political subdivisions	179,361	(928)	219,577	(2,938)	398,938	(3,866)
Corporate securities	127,368	(1,306)	263,184	(4,403)	390,552	(5,709)
Equity securities	60,305	(4,949)	54,791	(6,345)	115,096	(11,294)
Total temporarily impaired securities	$ 805,806	$ (10,117)	$ 923,119	$ (15,903)	$ 1,728,925	$ (26,020)

A substantial portion of the Company's unrealized losses relate to its holdings of equity securities. The unrealized losses relating to these securities were caused by market changes that the Company considers to be temporary. Unrealized losses relating to U.S. government, state and political subdivision holdings were primarily caused by interest rate increases. Since the decline in fair value of these investments is attributable to changes in interest rates and not credit quality, and the Company has the intent and ability to hold these securities, the Company does not consider these investments other-than-temporarily impaired.

D. Stock-Based Compensation Plans

Certain FNT employees are participants in FNF's stock-based compensation plans, which provide for the granting of incentive and nonqualified stock options, restricted stock and other stock-based incentive awards for officers and key employees. The amounts below are based on allocation of FNF's stock compensation expense relating to awards given to FNT employees during the historical period.

The Company accounts for stock-based compensation using the fair value recognition provisions of SFAS No. 123, Accounting for Stock-Based Compensation (SFAS No. 123) effective as of the beginning of 2003. Under the fair value method of accounting, compensation cost is measured based on the fair value of the award at the grant date and recognized over the service period. The Company has elected to use the prospective method of transition, as permitted by Statement of Financial Accounting Standards No. 148, Accounting for Stock-Based Compensation — Transition and Disclosure (SFAS No. 148). Under this method, stock-based employee compensation cost is recognized from the beginning of 2003 as if the fair value method of accounting had been used to account for all employee awards granted, modified, or settled in years beginning after December 31, 2002.

FIDELITY NATIONAL TITLE GROUP, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS — (Continued)

The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of SFAS No. 123 to all outstanding and unvested awards in each period:

	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
	(In thousands, except per share amounts)	
Net earnings, as reported	$ 245,545	$ 276,192
Add: Stock-based compensation expense included in reported net earnings, net of related tax effects	3,329	1,330
Deduct: Total stock-based compensation expense determined under fair value based methods for all awards, net of related tax effects	(3,895)	(2,338)
Pro forma net earnings	$ 244,979	$ 275,184

E. Pension and Postretirement Benefits

The following details the Company's periodic (income) expense for pension and postretirement benefits:

	For the Six Months Ended June 30,			
	2005	2004	2005	2004
	Pension Benefits		Postretirement Benefits	
	(In thousands, except per share amounts)			
Service cost	$ —	$ —	$ 76	$ 103
Interest cost	4,174	4,325	592	662
Expected return on assets	(3,918)	(3,565)	—	—
Amortization of prior service cost	—	—	(768)	(1,352)
Amortization of actuarial loss	4,414	3,502	274	229
Total net periodic (income) expense	$ 5,760	$ 4,262	$ 174	$ (358)

There have been no material changes to the Company's projected benefit payments under these plans since December 31, 2004.

F. Legal Proceedings

In the ordinary course of business, the Company is involved in various pending and threatened litigation matters related to its operations, some of which include claims for punitive or exemplary damages. The Company believes that no actions, other than those listed below, depart from customary litigation incidental to its business. As background to the disclosure below, please note the following:

- These matters raise difficult and complicated factual and legal issues and are subject to many uncertainties and complexities, including but not limited to the underlying facts of each matter, novel legal issues, variations between jurisdictions in which matters are being litigated, differences in applicable laws and judicial interpretations, the length of time before many of these matters might be resolved by settlement or through litigation and, in some cases, the timing of their resolutions relative to other similar cases brought against other companies, the fact that many of these matters are putative class actions in which a class has not been certified and in which the purported class may not be clearly defined, the fact that many of these matters involve multi-state class actions in which the applicable law for the claims at issue is in dispute and therefore unclear, and the current challenging legal environment faced by large corporations and insurance companies.

- In these matters, plaintiffs seek a variety of remedies including equitable relief in the form of injunctive and other remedies and monetary relief in the form of contractual and extra-contractual damages. In some cases, the monetary damages sought include punitive or treble damages or are not specified. Often more specific information beyond the type of relief sought is not available because plaintiffs have not requested more specific relief in their court pleadings. In those cases where plaintiffs have made a specific demand for monetary damages, they often specify damages just below a jurisdictional limit regardless of the facts of the case. This represents the maximum they can seek without risking removal from state court to federal court. In the Company's experience, monetary demands in plaintiffs' court pleadings bear little relation to the ultimate loss, if any, the Company may experience.

- For the reasons specified above, it is not possible to make meaningful estimates of the amount or range of loss that could result from these matters at this time. The Company reviews these matters on an on-going basis and follows the provisions of SFAS No. 5, "Accounting for Contingencies" when making accrual and disclosure decisions. When assessing reasonably possible and probable outcomes, the Company bases its decision on its assessment of the ultimate outcome following all appeals.

- In the opinion of the Company's management, while some of these matters may be material to the Company's operating results for any particular period if an unfavorable outcome results, none will have a material adverse effect on its overall financial condition.

Several class actions are pending in Ohio, Pennsylvania and Florida alleging improper premiums were charged for title insurance. The cases allege that the named defendant companies failed to provide notice of premium discounts to consumers refinancing their mortgages, and failed to give discounts in refinancing transactions in violation of the filed rates. The actions seek refunds of the premiums charged and punitive damages. Recently the court's order denying class certification in one of the Ohio actions was reversed and the case was remanded to the trial court for further proceedings. The Company intends to vigorously defend the actions.

A class action in California alleges that the Company violated the Real Estate Settlement Procedures Act ("RESPA") and state law by giving favorable discounts or rates to builders and developers for escrow fees and requiring purchasers to use Chicago Title Insurance Company for escrow services. The action seeks refunds of the premiums charged and additional damages. The Company intends to vigorously defend this action.

A shareholder derivative action was filed in Florida on February 11, 2005 alleging that the Company's directors and certain executive officers breached their fiduciary and other duties, and exposed the Company to potential fines, penalties and suits in the future, by permitting so called contingent commissions to obtain business. The Company and the directors and executive offers named as defendants filed Motions to Dismiss the action on June 3, 2005. The plaintiff abandoned his original complaint and responded to the motions by filing an amended Complaint on July 13, 2005, and the Company, along with the directors and executive officers named as defendants, must respond to the amended Complaint by August 29, 2005. The amended complaint repeats the allegations of the original complaint and adds allegations about "captive reinsurance" programs, which the Company continues to believe were lawful. These "captive reinsurance" programs are the subject of investigations by several state departments of insurance and attorney generals. The Company intends to vigorously defend this action.

Several state departments of insurance and attorney generals are investigating so called "captive reinsurance" programs whereby some of the Company's title insurance underwriters reinsured policies through reinsurance companies owned or affiliated with brokers, builders or bankers. Some investigating agencies claim these programs unlawfully compensated customers for the referral of title insurance business. Although the Company believed and continues to believe the programs were lawful, the programs have been discontinued. The Company recently negotiated a settlement with the California Department of Insurance with respect to that department's inquiry into captive reinsurance programs in the title insurance industry. Under the terms of the settlement, the Company will refund approximately $7.7 million to those consumers whose California property was subject to a captive reinsurance arrangement and will also pay a penalty of $5.6 million. As part of the settlement, the Company denied any wrongdoing. The Company continues to cooperate with other investigating authorities, and no other actions have been filed by the authorities against the Company or its underwriters.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. *Other Expenses of Issuance and Distribution*

The expenses expected to be incurred by FNT (the "Company") in connection with the issuance and distribution of the securities being registered under this Registration Statement are estimated to be as follows:

Securities and Exchange Commission Registration Fee	$	55,898
New York Stock Exchange Listing Fee	$	*
Printing and Engraving	$	*
Legal Fees and Expenses	$	*
Accounting Fees and Expenses	$	*
Miscellaneous	$	*
Total	$	*

* To be completed by amendment

Item 14. *Indemnification of Directors and Officers*

Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify directors and officers, as well as other employees and individuals, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee or agent to the Registrant. The Delaware General Corporation Law provides that Section 145 is not exclusive of other rights to which those seeking indemnification may be entitled under any certificate of incorporation, bylaws, agreement, vote of stockholders or disinterested directors or otherwise. The Registrant's certificate of incorporation provides for indemnification by the Registrant of its directors, officers and employees to the fullest extent permitted by the Delaware General Corporation Law.

Section 102(b)(7) of the Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for unlawful payments of dividends or unlawful stock repurchases, redemptions or other distributions, or (iv) for any transactions from which the director derived an improper personal benefit. The Registrant's certificate of incorporation provides for such limitation of liability.

The Registrant maintains standard policies of insurance under which coverage is provided (i) to its directors and officers against loss arising from claims made by reason of breach of duty or other wrongful act, and (ii) to the Registrant with respect to payments which may be made by the Registrant to such directors and officers pursuant to the above indemnification provision or otherwise as a matter of law.

Item 15. *Recent Sales of Unregistered Securities*

The Registrant was incorporated on May 24, 2005 under the laws of the State of Delaware. In connection with its formation, the Registrant issued 1,000 shares of common stock for $1,000 to Fidelity National Financial, Inc., pursuant to the exemption provided by Section 4(2) of the Securities Act of 1933.

Item 16. ***Exhibits and Financial Statement Schedules***

(a) *Exhibits*

Exhibit Number	Description
3.1	Form of Amended and Restated Certificate of Incorporation.**
3.2	Form of Amended and Restated Bylaws.**
4.1	Form of Specimen Certificate of Common Stock.**
5.1	Form of Opinion of LeBoeuf, Lamb, Greene & MacRae LLP relating to the Common Stock.*
10.1	Form of Separation Agreement, dated , 2005 between FNF and the Registrant.*
10.2	Form of Corporate Services Agreement, dated , 2005 between FNF and the Registrant.*
10.3	Form of Tax Matters Agreement, dated , 2005 between FNF and the Registrant.*
10.4	Form of Employee Matters Agreement, dated , 2005 between FNF and the Registrant.*
10.5	Form of Registration Rights Agreement, dated , 2005 between FNF and the Registrant.*
10.6	Form of Intellectual Property Cross License Agreement, dated , 2005 between FNF and the Registrant.*
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23.1	Consent of KPMG LLP, Independent Registered Public Accounting Firm.**
23.2	Consent of LeBoeuf, Lamb, Greene & MacRae LLP (included in Exhibit 5.1).*
24.1	Power of Attorney (included on signature page of registration statement).
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* To be filed by amendment

** Filed herewith

(b) *Financial Statement Schedules*

Report of Independent Registered Public Accounting Firm

Schedule V — Valuation and Qualifying Accounts — Years ended December 31, 2004, 2003 and 2002

Table of Contents

WHEN THE TRANSACTIONS REFERRED TO IN NOTE A OF THE NOTES TO
COMBINED FINANCIAL STATEMENTS HAVE BEEN CONSUMMATED, WE
WILL BE IN A POSITION TO RENDER THE FOLLOWING REPORT

/s/ KPMG LLP

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
Fidelity National Title Group, Inc.:

Under the date of August 16, 2005, except for Note A, which is as of , 2005, we reported on the Combined Balance Sheets of Fidelity National Title Group, Inc. and subsidiaries as of December 31, 2004 and 2003, and the related Combined Statements of Earnings, Equity and Comprehensive Earnings and Cash Flows for each of the years in the three-year period ended December 31, 2004, which are included in this registration statement. In connection with our audits of the aforementioned Combined Financial Statements, we also audited the related Combined Financial Statement Schedule as listed in Item _____. The Combined Financial Statement Schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this Combined Financial Statement Schedule based on our audits.

In our opinion, such Combined Financial Statement Schedule, when considered in relation to the basic Combined Financial Statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

Jacksonville, Florida
August 16, 2005, except for Note A,
which is as of , 2005

SCHEDULE V

Fidelity National Title Group, Inc.
VALUATION AND QUALIFYING ACCOUNTS
Years Ended December 31, 2004, 2003 and 2002
(Dollars in thousands)

Description	Balance at Beginning of Period	Charge to Costs and Expenses	Other (Described)	Deduction (Described)	Balance at End of Period
Year ended December 31, 2004					
Provision for claim losses	932,439	259,402	38,597(3)	249,692(1)	980,746
Allowance on trade receivables	$ 12,833	$ 228	$ —	$ 1,269(2)	$ 11,792
Allowance on notes receivable	1,555	185	—	—	1,740
Year ended December 31, 2003					
Provision for claim losses	887,973	248,834	4,203(4)	208,571(1)	932,439
Allowance on trade receivables	10,148	456	2,229(2)	—	12,833
Allowance on notes receivable	1,001	554	—	—	1,555
Year ended December 31, 2002					
Provision for claim losses	$ 881,053	$ 175,963	—	$ 169,043(1)	$ 887,973
Allowance on trade receivables	9,707	1,317	—	876(2)	10,148
Allowance on notes receivable	5,093	—	—	4,092(2)	1,001

(1) Represents payments of claim losses, net of recoupments

(2) Represents uncollectible accounts written off, change in reserve due to reevaluation of specific items

(3) Represents reserve for claim losses assumed in the acquisition of APTIC in 2004

(4) Represents reserve for claim losses assumed in the acquisition of ANFI in 2003

Item 17. ***Undertakings***

The undersigned hereby undertakes as follows:

(a) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(b) (1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities distributed therein, and the distribution of such securities at that time shall be deemed to be the initial bona fide distribution thereof.

[Table of Contents](#)

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Fidelity National Title Group, Inc. has duly caused this Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Jacksonville, Florida, on this 17th day of August, 2005.

FIDELITY NATIONAL TITLE GROUP, INC.

By: /s/ ANTHONY J. PARK
Name: Anthony J. Park
Title: Chief Financial Officer

We, the undersigned directors and/or officers of Fidelity National Title Group, Inc. (the "Company"), hereby severally constitute and appoint Raymond R. Quirk and Anthony J. Park, and each of them individually, with full powers of substitution and resubstitution, our true and lawful attorneys, with full powers to them and each of them to sign for us, in our names and in the capacities indicated below, the Registration Statement on Form S-1 filed with the Securities and Exchange Commission, and any and all amendments to such Registration Statement (including post-effective amendments), and to file or cause to be filed the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto such attorneys, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as each of them might or could do in person, and hereby ratifying and confirming all that such attorneys, and each of them, or their substitute or substitutes, shall do or cause to be done by virtue of this Power of Attorney.

Pursuant to the requirements of the Securities Act of 1933 this Amendment No. 1 to the Registration Statement has been signed by the following persons in the capacities indicated on this 17th day of August, 2005.

Signature	Title	Date
* William P. Foley, II	Chairman of the Board of Directors	August 17, 2005
* Raymond R. Quirk	Chief Executive Officer (Principal Executive Officer)	August 17, 2005
/s/ ANTHONY J. PARK Anthony J. Park	Chief Financial Officer (Principal Financial and Accounting Officer)	August 17, 2005
By: /s/ ANTHONY J. PARK Anthony J. Park *Attorney-in-fact*		

Table of Contents

EXHIBIT INDEX

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3.1	Form of Amended and Restated Certificate of Incorporation.**
3.2	Form of Amended and Restated Bylaws.**
4.1	Form of Specimen Certificate of Common Stock.**
5.1	Form of Opinion of LeBoeuf, Lamb, Greene & MacRae LLP relating to the Common Stock.*
10.1	Form of Separation Agreement, dated , 2005 between FNF and the Registrant.*
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* To be filed by amendment

** Filed herewith

EXHIBIT 3.1

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION OF

FIDELITY NATIONAL TITLE GROUP, INC.

Fidelity National Title Group, Inc., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), does hereby certify as follows:

First: The name of the Corporation is "Fidelity National Title Group, Inc." The Corporation was originally incorporated under the name "FNT Holdings, Inc." The Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on May 23, 2005.

Second: This Amended and Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware.

Third: This Amended and Restated Certificate of Incorporation amends, restates and integrates the provisions of the Corporation's original Certificate of Incorporation.

Fourth: The text of this Amended and Restated Certificate of Incorporation is hereby restated and amended to read in its entirety as follows:

ARTICLE I

NAME

The name of the corporation (the "Corporation") is "Fidelity National Title Group, Inc."

ARTICLE II

REGISTERED AGENT

The address of the registered office of the Corporation in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801. The name of the Corporation's registered agent at that address is "The Corporation Trust Company."

ARTICLE III

PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may now or hereafter be organized under the General Corporation Law of the State of Delaware (the "DGCL").

ARTICLE IV

CAPITAL STOCK

Section 4.1. The total number of shares of all classes of stock which the Corporation shall have authority to issue is 450,000,000, consisting of 200,000,000 shares of Class A Common Stock, par value $0.0001 per share ("Class A Common Stock"), 200,000,000 shares of Class B Common Stock, par value $0.0001 per share ("Class B Common Stock") and 50,000,000 shares of preferred stock, par value $0.0001 per share ("Preferred Stock"). Except as otherwise expressly provided herein, all shares of Class A Common Stock and Class B

Common Stock shall be identical and shall entitle the holders thereof to the same rights and privileges.

Section 4.2. Except as otherwise required by applicable law, the holders of Class A Common Stock and Class B Common Stock shall be entitled to notice of any meeting of the stockholders of the Corporation in accordance with the Bylaws and shall vote together as a single class as follows:

1. Each share of Class A Common Stock shall entitle the holder thereof to one vote in person or by proxy on all matters submitted to a vote of the stockholders of the Corporation on which the holders of the Class A Common Stock are entitled to vote.

2. Each share of Class B Common Stock shall entitle the holder thereof to ten votes in person or by proxy on all matters submitted to a vote of the stockholders of the Corporation on which the holders of the Class B Common Stock are entitled to vote.

Section 4.3. Shares of Class B Common Stock shall be convertible into shares of Class A Common Stock, at a one-to-one conversion ratio, as follows:

1. The holder of any share of Class B Common Stock may elect at any time, and at such holder's sole option, to convert such share into one fully paid and nonassessable share of Class A Common Stock.

2. If at any time, Fidelity National Financial, Inc. ("FNF") and its Affiliates collectively own less than forty percent (40%) of the total number of issued and outstanding shares of common stock of the Corporation (after giving effect to the conversion into Class A Common Stock of all shares of Class B Common Stock and any securities of the Corporation convertible into or exchangeable for shares of Class A Common Stock), each issued and outstanding share of Class B Common Stock shall be automatically converted into one fully paid and nonassessable share of Class A Common Stock.

3. Upon the transfer of any share of Class B Common Stock to a Person that, at the time of such transfer, is neither FNF nor an Affiliate of FNF, such share hall be automatically converted into one fully paid and nonassessable share of Class A Common Stock.

4. Notwithstanding anything to the contrary in this Certificate of Incorporation, any transfer of any share of Class B Common Stock that is effected as a part of a distribution by FNF of shares of Class B Common Stock to its stockholders under Section 355(a) of the Internal Revenue Code of 1986, as amended, and any subsequent transfer of such shares, shall not cause an automatic conversion of such shares into Class A Common Stock under Section 4.3.

As used in this Certificate of Incorporation, the following terms shall have the following meanings:

"Affiliate" means any Person directly or indirectly controlling, controlled by, or under common control with, FNF. As used in this definition, the term "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Person" means and includes any individual, partnership, joint venture, association, joint stock company, corporation, trust, limited liability company, unincorporated organization, a group and a government or other department, agency or political subdivision thereof.

Section 4.4. Shares of Preferred Stock of the Corporation may be issued from time to time in one or more classes or series, each of which class or series shall have such distinctive designation and title as shall be fixed by the Board of Directors of the Corporation (the "Board of Directors") prior to the issuance of any shares thereof. The Board of Directors is hereby authorized to fix the designation and title for each such class or series of Preferred Stock, to fix the voting powers, whether full or limited, or no voting powers, and such powers, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, and to fix the number of shares constituting such class or series (but not below the number of shares thereof then outstanding), in each case as shall be stated in such resolution or resolutions providing for the issue of such class or series of Preferred Stock as may be adopted from time to time by the Board of Directors prior to the issuance of any shares thereof pursuant to the authority hereby expressly vested in it.

ARTICLE V

DIRECTORS

Section 5.1. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, consisting of not less than one nor more that fourteen members with the exact number of directors to be determined from time to time exclusively by resolution adopted by the Board of Directors. The directors, other than those who may be elected by the holders of any class or series of Preferred Stock as set forth in this Amended and Restated Certificate of Incorporation (this "Certificate of Incorporation"), shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. The term of the initial Class I directors shall terminate on the date of the 2006 annual meeting of stockholders; the term of the initial Class II directors shall terminate on the date of the 2007 annual meeting of stockholders and the term of the initial Class III directors shall terminate on the date of the 2008 annual meeting of stockholders. At each annual meeting of stockholders beginning in 2008, successors to the class of directors whose term expires at that annual meeting shall be elected for a three-year term.

Section 5.2. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any additional director of any class elected to fill a vacancy resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case will a decrease in the number of directors shorten the term of any incumbent director. A director shall hold office until the annual meeting for the year in which his term expires and until his successor shall be elected and shall qualify for office, subject, however, to prior death, resignation, retirement, disqualification or removal from office. Any vacancy on the Board of Directors, however resulting, may be filled only by an affirmative vote of the majority of the directors then in office, even if less than a quorum, or by an affirmative vote of the sole remaining director. Any director elected to fill a vacancy shall hold office for a term that shall coincide with the term of the class to which such director shall have been elected.

Section 5.3. Notwithstanding any of the foregoing provisions, whenever the holders of any one or more classes or series of Preferred Stock issued by the Corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of this Certificate of Incorporation, or the resolution or resolutions adopted by the Board of Directors pursuant to Section 4.4 of this Certificate of Incorporation applicable thereto, and such directors so elected shall not be divided into classes pursuant to this Article V unless expressly provided by such terms.

ARTICLE VI

CORPORATE OPPORTUNITIES

Section 6.1. In anticipation of the possibility (a) that the Corporation will not be a wholly owned subsidiary of Fidelity (as defined below) and Fidelity may be a majority or significant stockholder of the Corporation, (b) that the officers and/or directors of the Corporation may also serve as officers and/or directors of Fidelity and (c) that the Corporation and Fidelity may engage in the same or similar activities or lines of business and have an interest in the same corporate opportunities, and in recognition of the benefits to be derived by the Corporation through its continued contractual, corporate and business relations with Fidelity, the provisions of this Article VI are set forth to regulate, to the fullest extent permitted by law, the conduct of certain affairs of the Corporation as they relate to Fidelity and its officers and directors, and the powers, rights, duties and liabilities of the Corporation and its officers, directors and stockholders in connection therewith.

Section 6.2. Except as may be otherwise provided in a written agreement between the Corporation and Fidelity, Fidelity shall have no duty to refrain from engaging in the same or similar activities or lines of business as the Corporation, and, to the fullest extent permitted by law, neither Fidelity nor any officer or director thereof (except in the event of any violation of Section 6.3 hereof, to the extent such violation would create liability under applicable law) shall be liable to the Corporation or its stockholders for breach of any fiduciary duty by reason of any such activities of Fidelity. In the event that Fidelity acquires knowledge of a potential transaction or matter which may be a corporate opportunity for both Fidelity and the Corporation, Fidelity shall, to the fullest extent permitted by law, have no duty to communicate or offer such corporate opportunity to the Corporation and shall, to the fullest extent permitted by law, not be liable to the Corporation or its stockholders for breach of any fiduciary duty as a stockholder of the Corporation by reason of the fact that Fidelity pursues or acquires such corporate opportunity for itself, directs such corporate opportunity to another person, or does not communicate information regarding such corporate opportunity to the Corporation.

Section 6.3. In the event that a director or officer of the Corporation who is also a director or officer of Fidelity acquires knowledge of a potential transaction or matter which may be a corporate opportunity of both the Corporation and Fidelity, such director or officer of the Corporation shall, to the fullest extent permitted by law, have fully satisfied and fulfilled the fiduciary duty of such director or officer to the Corporation and its stockholders with respect to such corporate opportunity, if such director or officer acts in a manner consistent with the following policy:

(a) a corporate opportunity offered to any person who is an officer of the Corporation, and who is also a director but not an officer of Fidelity, shall belong to the Corporation, unless such opportunity is expressly offered to such person in a capacity other than such person's capacity as an officer of the Corporation, in which case it shall not belong to the Corporation;

(b) a corporate opportunity offered to any person who is a director but not an officer of the Corporation, and who is also a director or officer of Fidelity, shall belong to the Corporation only if such opportunity is expressly offered to such person in such person's capacity as a director of the Corporation; and

(c) a corporate opportunity offered to any person who is an officer of both the Corporation and Fidelity shall belong to the Corporation only if such opportunity is expressly offered to such person in such person's capacity as an officer of the Corporation.

Notwithstanding the foregoing, the Corporation shall not be prohibited from pursuing any corporate opportunity of which the Corporation becomes aware.

Section 6.4. Any person purchasing or otherwise acquiring any interest in shares of the capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article VI.

Section 6.5. (a) For purposes of this Article VI, a director of any company who is the chairman of the board of directors of that company shall not be deemed to be an officer of the company solely by reason of holding such position.

(a) The term "Corporation" shall mean, for purposes of this Article VI, the Corporation and all corporations, partnerships, joint ventures, associations and other entities in which the Corporation beneficially owns (directly or indirectly) fifty percent or more of the outstanding voting stock, voting power, partnership interests or similar voting interests. The term "Fidelity" shall mean, for purposes of this Article VI and of Article IX hereof, Fidelity National Financial, Inc., a Delaware corporation, and any successor thereof, and all corporations, partnerships, joint ventures, associations and other entities (other than the Corporation) in which it beneficially owns (directly or indirectly) fifty percent or more of the outstanding voting stock, voting power, partnership interests or similar voting interests.

Section 6.6. Anything in this Certificate of Incorporation to the contrary notwithstanding, the foregoing provisions of this Article VI shall terminate, expire and have no further force and effect on the date that (a) Fidelity ceases to beneficially own Common Stock representing at least twenty percent of the total voting power of all classes of outstanding capital stock of the Corporation entitled to vote generally in the election of directors and (b) no person who is a director or officer of the Corporation is also a director or officer of Fidelity. Neither the alteration, amendment, termination, expiration or repeal of this Article VI nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article VI shall eliminate or reduce the effect of this Article VI in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article VI, would accrue or arise, prior to such alteration, amendment, termination, expiration, repeal or adoption.

ARTICLE VII

REMOVAL OF DIRECTORS

Subject to the rights, if any, of the holders of shares of Preferred Stock then outstanding, any or all of the directors of the Corporation may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of a majority of the outstanding capital stock of the Corporation then entitled to vote generally in the election of directors, considered for purposes of this Article VII as one class.

ARTICLE VIII

ELECTION OF DIRECTORS

Elections of directors at an annual or special meeting of stockholders shall be by written ballot unless the Bylaws of the Corporation shall otherwise provide.

ARTICLE IX

WRITTEN CONSENT OF STOCKHOLDERS

Any action required or permitted to be taken at any annual or special meeting of stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding capital stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of capital stock entitled to vote thereon were present and voted; provided, however, that at such time as Fidelity ceases to beneficially own more than fifty percent of the total voting power of all classes of outstanding capital stock of the Corporation entitled to vote generally in the election of directors, any action required or permitted to be taken by stockholders may be effected only at a duly called annual or special meeting of stockholders and may not be effected by a written consent or consents by stockholders in lieu of such a meeting.

ARTICLE X

SPECIAL MEETINGS

Special meetings of the stockholders of the Corporation for any purposes may be called at any time by a majority vote of the Board of Directors or the President of the Corporation. Except as required by law or provided by resolutions adopted by the Board of Directors designating the rights, powers and preferences of any Preferred Stock, special meetings of the stockholders of the Corporation may not be called by any other person or persons.

ARTICLE XI

OFFICERS

The officers of the Corporation shall be chosen in such manner, shall hold their offices for such terms and shall carry out such duties as are determined solely by the Board of Directors, subject to the right of the Board of Directors to remove any officer or officers at any time with or without cause.

ARTICLE XII

INDEMNITY

The Corporation shall indemnify to the full extent authorized or permitted by law any person made, or threatened to be made, a party to any action or proceeding (whether civil or criminal or otherwise) by reason of the fact that such person is or was a director or officer of the Corporation or by reason of the fact that such director or officer, at the request of the Corporation, is or was serving any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, in any capacity. Nothing contained herein shall affect any rights to indemnification to which employees other than directors and officers may be entitled by law. No director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty by such a director as a director. Notwithstanding the foregoing sentence, a director shall be liable to the extent provided by applicable law (a) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) pursuant to Section 174 of the DGCL or (d) for any transaction from which such director derived an improper personal benefit. No amendment to or repeal of this Article XII shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment.

ARTICLE XIII

AMENDMENT

The Corporation reserves the right at any time from time to time to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and any other provisions authorized by the laws of the State of Delaware at any time may be added or inserted, in the manner now or hereafter prescribed by law. All rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the right reserved in this Article XIII. Notwithstanding any other provision of this Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any series of Preferred Stock required by law, by this Certificate of Incorporation or by the resolution or resolutions adopted by the Board of Directors designating the rights, powers and preferences of such Preferred Stock, the provisions set forth in (a) Section 2.2 (except for Section 2.2(a)), Section 2.3, Section 3.1 (except for Section 3.1(a)) and Article IX of the Bylaws of the Corporation and (b) Articles V, VI, VII, IX, X and XIII of this Certificate of Incorporation, may not be repealed, altered, amended or rescinded, in whole or in part, nor a new Certificate of Incorporation be adopted, unless approved by a majority of the Board of Directors then in office and approved by holders of two-thirds of the votes entitled to be cast, voting as a single class, by holders of all outstanding capital stock which by its terms may be voted on all matters submitted to stockholders of the Corporation generally.

ARTICLE XIV

BUSINESS COMBINATIONS

The Corporation expressly elects to be governed by Section 203 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the undersigned officer of the Corporation has executed this Certificate of Incorporation on behalf of the Corporation this ___ day of _____, 2005.

FIDELITY NATIONAL TITLE GROUP, INC.

By:________________________________

Name:

Title:

EXHIBIT 3.2

AMENDED AND RESTATED BYLAWS OF

FIDELITY NATIONAL TITLE GROUP, INC.

AS ADOPTED ON ________________, 2005

ARTICLE I

OFFICES

Section 1.1. Registered Office. The registered office of Fidelity National Title Group, Inc. (the "Corporation") shall be in the City of Wilmington, County of New Castle, State of Delaware and the name and address of its registered agent is "The Corporation Trust Company," 1209 Orange Street, Wilmington, Delaware, 19801.

Section 1.2. Other Offices. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors of the Corporation (the "Board of Directors") may from time to time determine.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 2.1. Place of Meetings. Meetings of the stockholders for the election of directors or for any other purpose shall be held at such time and place, either within or without the State of Delaware, as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2.2. Annual Meetings. (a) The annual meetings of stockholders (the "Annual Meeting") shall be held on such date and at such time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which meetings the stockholders, subject to the provisions of the Amended and Restated Certificate of Incorporation of the Corporation (the "Certificate of Incorporation"), shall elect by a plurality vote a Board of Directors, and transact such other business as may properly be brought before the meeting. Written notice of the Annual Meeting stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten days nor more than sixty days before the date of the meeting.

(b) No business may be transacted at an Annual Meeting, other than business that is either (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (ii) otherwise properly brought before the Annual Meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (iii) otherwise properly brought before the Annual Meeting by any stockholder of the Corporation (A) who is a stockholder of record on the date of the giving of the notice provided for in this Section 2.2 and on the record date for the determination of stockholders entitled to vote at such Annual Meeting and (B) who complies with the notice procedures set forth in this Section 2.2.

(c) In addition to any other applicable requirements, for business to be properly brought before an Annual Meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation. To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Corporation not less than one-hundred and twenty days prior to the anniversary date of the date of the proxy statement for the immediately preceding Annual Meeting; provided, however, that in the event that the Annual Meeting is called for a date that is not within thirty days before or after the anniversary date of the immediately preceding Annual Meeting, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth day following the day on which public disclosure of the date of the Annual Meeting was first made. To be in proper written form, a stockholder's notice to the Secretary must set forth as to each matter such stockholder proposes to bring before the Annual Meeting (i) a brief description of the business desired to be brought before the Annual Meeting and the reasons for conducting such business at the Annual Meeting, (ii) the name and record address of such stockholder, (iii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder, (iv) a description of all arrangements or understandings between such stockholder and any other person or persons (including their names) in connection with the proposal of such business by such stockholder and any material interest of such stockholder in such business and (v) a representation that such stockholder intends to appear in person or by proxy at the Annual Meeting to bring such business before the meeting.

(d) No business shall be conducted at the Annual Meeting except business brought before the Annual Meeting in accordance with the procedures set forth in this Section 2.2, provided, however, that, once business has been properly brought before the Annual Meeting in accordance with such procedures, nothing in this Section 2.2 shall be deemed to preclude discussion by any stockholder of any such business. If the Chairman of an Annual Meeting determines that business was not properly brought before the Annual Meeting in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be discussed or transacted.

Section 2.3. Special Meetings. Unless otherwise prescribed by law or by the Certificate of Incorporation, Special Meetings of Stockholders ("Special Meetings"), for any purpose or purposes, may be called by the majority vote of the Board of Directors or by the Chief Executive Officer. Special Meetings may not be called by any other person or persons. Written notice of a Special Meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called shall be given not less than ten days nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting.

Section 2.4. Quorum. Except as otherwise required by law, these Amended and Restated Bylaws (these "Bylaws") or by the Certificate of Incorporation, holders of a majority of the capital stock issued and entitled to vote thereat present in person or represented by proxy shall constitute a quorum at all meetings of the stockholders for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder entitled to vote at the meeting.

Section 2.5. Voting. Unless otherwise required by law, the Certificate of Incorporation or these Bylaws, any question brought before any meeting of stockholders shall be decided by the vote of the holders of a majority of the stock represented and entitled to vote thereat. Such votes may be cast in person or by proxy but no proxy shall be voted on or after three years from its date, unless such proxy provides for a longer period. The Board of Directors, in its discretion, or the officer of the Corporation presiding at a meeting of stockholders, in his discretion, may require that any votes cast at such meeting shall be cast by written ballot.

Section 2.6. No Consent of Stockholders in Lieu of Meeting. Any action required or permitted to be taken at any annual or special meeting of stockholders may be taken only upon the vote of the stockholders at an annual or special meeting duly noticed and called, as provided in these Bylaws, and may not be taken by a written consent of the stockholders pursuant to the General Corporation Law of the State of Delaware (the "DGCL").

Section 2.7. List of Stockholders Entitled to Vote. The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder of the Corporation who is present.

Section 2.8. Stock Ledger. The stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by Section 2.7 hereof or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

ARTICLE III

DIRECTORS

Section 3.1. Number and Election of Directors. (a) Subject to the rights, if any, of holders of preferred stock of the Corporation to elect directors of the Corporation, the Board of Directors shall consist of not less than one nor more than fourteen members with the exact number of directors to be determined from time to time exclusively by resolution duly adopted by the Board of Directors. Directors shall be elected by a plurality of the votes cast at the Annual Meeting, and, unless otherwise provided by the Certificate of Incorporation, each director so elected shall hold office until the Annual Meeting for the year in which his term expires and until his successor is duly elected and qualified, or until his earlier death, resignation, retirement, disqualification or removal. Any director may resign at any time effective upon giving written notice to the Corporation, unless the notice specifies a later time for the effectiveness of such resignation. Directors need not be stockholders.

(b) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation, except as may be otherwise provided in the Certificate of Incorporation with respect to the right of holders of preferred stock of the Corporation to nominate and elect a specified number of directors in certain circumstances. Nominations of persons for election to the Board of Directors may be made at any Annual Meeting or at any Special Meeting called by a majority vote of the Board of Directors or by the Chief Executive Officer for the purpose of electing directors (i) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (ii) by any stockholder of the Corporation (A) who is a stockholder of record on the date of the giving of the notice provided for in this Section 3.1 and on the record date for the determination of stockholders entitled to vote at such Annual or Special Meeting and (B) who complies with the notice procedures set forth in this Section 3.1.

(c) In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation. To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Corporation (i) in the case of an Annual Meeting, not less than one-hundred and twenty days prior to the anniversary date of the date of the proxy statement for the immediately preceding Annual Meeting; provided, however, that in the event that the Annual Meeting is called for a date that is not within thirty days before or after the anniversary date of the immediately preceding Annual Meeting, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth day following the day on which public disclosure of the date of the Annual Meeting was first made; and (ii) in the case of a Special Meeting called for the purpose of electing directors, not later than the close of business on the tenth day following the day on which public disclosure of the date of the Special Meeting was first made.

(d) To be in proper written form, a stockholder's notice to the Secretary must set forth (i) as to each person whom the stockholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by the person and (D) any other information relating to the person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder; and (ii) as to the stockholder giving the notice (A) the name and record address of such stockholder, (B) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder, (C) a description of all arrangements or understandings between such stockholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder, (D) a representation that such stockholder intends to appear in person or by proxy at the Annual Meeting to nominate the persons named in its notice and (E) any other information relating to such stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

(e) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 3.1. If the Chairman of the meeting determines that a nomination was not made in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

Section 3.2. Vacancies. Any vacancy on the Board of Directors, however created, may be filled only by a majority of the directors then in office, though less than a quorum, or by a sole remaining director. Any director elected to fill a newly created directorship resulting from an increase in any class of directors shall hold office for a term that shall coincide with the remaining term of the other directors of that class. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same term as the remaining term of his predecessor.

Section 3.3. Duties and Powers. The business of the Corporation shall be managed by or under the direction of the Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these Bylaws directed or required to be exercised or done by the stockholders.

Section 3.4. Meetings. The Board of Directors may hold meetings, both regular and special, either within or without the State of Delaware. Regular meetings of the Board of Directors may be held without notice at such time and at such place as may from time to time be determined by the Board of Directors. Special meetings of the Board of Directors may be called by the Chief Executive Officer, the Chairman, if there is one, the President, or any directors. Notice thereof stating the place, date and hour of the meeting shall be given to each director either by mail not less than forty-eight hours before the date of the meeting, by telephone or facsimile on twenty-four hours' notice, or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances.

Section 3.5. Quorum. Except as may be otherwise specifically provided by law, the Certificate of Incorporation or these Bylaws, at all meetings of the Board of Directors, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 3.6. Actions of Board. Unless otherwise provided by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all the members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

Section 3.7. Meetings by Means of Conference Telephone. Unless otherwise provided by the Certificate of Incorporation or these Bylaws, members of the Board of Directors of the Corporation, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 3.7 shall constitute presence in person at such meeting.

Section 3.8. Committees. The Board of Directors may, by resolution passed by a majority of the entire Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. In the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any absent or disqualified member. Any committee, to the extent allowed by law and provided in the resolution establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation. Each committee shall keep regular minutes and report to the Board of Directors when required.

Section 3.9. Audit Committee. The Board of Directors, by resolution adopted by a majority of the whole Board of Directors, may designate three or more directors to constitute an Audit Committee, to serve as such until the next annual meeting of the Board of Directors or until their respective successors are designated. The audit committee will carry out its responsibilities as set forth in an audit committee charter to be adopted by the Board of Directors.

Section 3.10. Compensation. At the discretion of the Board of Directors, the directors may be paid their expenses, if any, of attendance at each meeting of the Board of

Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. At the discretion of the Board of Directors, members of special or standing committees may be allowed like compensation for attending committee meetings.

Section 3.11. Interested Directors. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose if: (a) the material facts as to his or their relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (b) the material facts as to his or their relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (c) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee thereof or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 3.12. Entire Board of Directors. As used in these Bylaws generally, the term "entire Board of Directors" means the total number of directors which the Corporation would have if there were no vacancies.

ARTICLE IV

OFFICERS

Section 4.1. General. The officers of the Corporation shall be chosen by the Board of Directors and shall include a Chief Executive Officer, a President and a Secretary. The Board of Directors, in its discretion, may also appoint a Chairman of the Board of Directors (who must be a director), Chief Financial Officer, Assistant Chief Financial Officers, Controller, Treasurer, Assistant Treasurers and one or more Vice Presidents, Assistant Secretaries, and other officers, who shall have such authority and perform such duties as may be prescribed in such appointment. Any number of offices may be held by the same person, unless otherwise prohibited by law, the Certificate of Incorporation or these Bylaws. The officers of the Corporation need not be stockholders of the Corporation nor, except in the case of the Chairman of the Board of Directors, need such officers be directors of the Corporation.

Section 4.2. Election. The Board of Directors at its first meeting held after each Annual Meeting of Stockholders shall elect the officers of the Corporation who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors; and all officers of the Corporation shall hold office until their successors are chosen and qualified, or until their earlier resignation or removal. Any officer elected by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors. The salaries of all officers of the Corporation shall be fixed by the Board of Directors.

Section 4.3. Voting Securities Owned by the Corporation. Powers of attorney, proxies, waivers of notice of meeting, consents and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the Chief Executive Officer, the President or any Vice President and any such officer may, in the name of and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Corporation may own securities and at any such meeting shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed if present. The Board of Directors may, by resolution, from time to time confer like powers upon any other person or persons.

Section 4.4. Duties of Officers. The duties of the officers of the Corporation shall be as follows:

(a) Chief Executive Officer. The Chief Executive Officer shall, subject to the control of the Board of Directors, have general executive charge, management and control of the properties, business and operations of the Corporation with all such powers as may be reasonably incident to such responsibilities; and the Chief Executive Officer may agree upon and execute all leases, contracts, evidences of indebtedness and other obligations in the name of the Corporation and may sign all certificates for shares of capital stock of the Corporation. In the absence or disability of the Chairman of the Board of Directors, or if there is none, the Chief Executive Officer shall preside at all meetings of the stockholders and the Board of Directors. The Chief Executive Officer shall also perform such other duties and may exercise such other powers as from time to time may be assigned to him by these Bylaws or by the Board of Directors.

(b) Chairman of the Board of Directors. The Chairman of the Board of Directors, if there is one, shall preside at all meetings of the stockholders and of the Board of Directors. Except where by law the signature of the Chief Executive Officer or the President is required, the Chairman of the Board of Directors shall possess the same power as the Chief Executive Officer or the President to sign all contracts, certificates and other instruments of the Corporation which may be authorized by the Board of Directors. During the absence or disability of the Chief Executive Officer or the President, the Chairman of the Board of Directors shall exercise all the powers and discharge all the duties of the Chief Executive Officer or the President. The Chairman of the Board of Directors shall also perform such other duties and may exercise such other powers as from time to time may be assigned to him by these Bylaws or by the Board of Directors.

(c) President. The President shall, subject to the control of the Board of Directors, the Chief Executive Officer, and, if there is one, the Chairman of the Board of Directors, have general supervision of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. He shall execute all bonds, mortgages, contracts and other instruments of the Corporation requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except that the other officers of the Corporation may sign and execute documents when so authorized by these Bylaws, the Board of Directors, the Chief Executive Officer, the Chairman of the Board of Directors or the President. In the absence or disability of the Chief Executive Officer and the Chairman of the Board of Directors, or if there is none, the President shall preside at all meetings of the stockholders and the Board of Directors. The President shall also perform such other duties and may exercise such other powers as from time to time may be assigned to him by these Bylaws or by the Board of Directors.

(d) Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of stockholders and record all the proceedings thereat in a book or books to be kept for that purpose; the Secretary shall also perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors, the Chief Executive Officer or the President, under whose supervision he shall be. If the Secretary shall be unable or shall refuse to cause to be given notice of all meetings of the stockholders and special meetings of the Board of Directors, and if there is no Assistant Secretary, then either the Board of Directors, the Chief Executive Officer or the President may choose another officer to cause such notice to be given. The Secretary shall have custody of the seal of the Corporation and the Secretary or any Assistant Secretary, if there is one, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by the signature of the Secretary or by the signature of any such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature. The Secretary shall see that all books, reports, statements, certificates and other documents and records required by law to be kept or filed are properly kept or filed, as the case may be.

(e) Assistant Secretaries. Except as may be otherwise provided in these Bylaws, Assistant Secretaries, if there are any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the Chief Executive Officer, the President, any Vice President, if there is one, or the Secretary, and in the absence of the Secretary or in the event of his disability or refusal to act, shall perform the duties of the Secretary, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Secretary.

(f) Chief Financial Officer. The Chief Financial Officer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Chief Financial Officer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chief Executive Officer, the Chairman of the Board, the

President and the Board of Directors, at its regular meetings or when the Board of Directors so requires, an account of all transactions as Chief Financial Officer and of the financial condition of the Corporation. The Chief Financial Officer shall perform such other duties as may from time to time be prescribed by the Board of Directors, the Chief Executive Officer, the Chairman of the Board or the President.

(g) Assistant Chief Financial Officer. The Assistant Chief Financial Officer, or if there is more than one, the Assistant Chief Financial Officers, in the order determined by the Board of Directors (or if there is no such determination, then in the order of their election), shall, in the absence of the Chief Financial Officer or in the event of the Chief Financial Officer's inability or refusal to act, perform the duties and exercise the powers of the Chief Financial Officer and shall perform such other duties and have such other powers as may from time to time be prescribed by the Board of Directors, the Chief Executive Officer, the Chairman of the Board, the President or the Chief Financial Officer.

(h) Controller. The Board of Directors may elect a Controller who shall be responsible for all accounting and auditing functions of the Corporation and who shall perform such other duties as may from time to time be required of him by the Board of Directors.

(i) Treasurer. The Treasurer, if there is one, shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chief Executive Officer, the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

(j) Assistant Treasurers. Assistant Treasurers, if there are any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the Chief Executive Officer, the President, any Vice President, or the Treasurer, if there is one, and in the absence of the Treasurer or in the event of his disability or refusal to act, shall perform the duties of the Treasurer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Treasurer. If required by the Board of Directors, an Assistant Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

(k) Vice Presidents. At the request of the President or in his absence or in the event of his inability or refusal to act (and if there is no Chief Executive Officer or Chairman of the Board of Directors), the Vice President or the Vice Presidents if there is more than one (in the order designated by the Board of Directors) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Each Vice President shall perform such other duties and have such other powers as the Board of Directors from time to time may prescribe. If there is no Chief Executive Officer, no Chairman of the Board of Directors and no Vice President, the Board of Directors shall designate the officer of the Corporation who, in the absence of the President or in the event of the inability or refusal of the President to act, shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

(l) Other Officers. Such other officers as the Board of Directors may choose shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors. The Board of Directors may delegate to any other officer of the Corporation the power to choose such other officers and to prescribe their respective duties and powers.

ARTICLE V

CAPITAL STOCK

Section 5.1. Form of Certificates. Every holder of stock in the Corporation shall be entitled to have a certificate or certificates duly numbered, certifying the number and class of shares in the Corporation owned by him, in such form as may be prescribed by the Board of Directors. Each such certificate shall be signed in the name of the Corporation by the Chief Executive Officer, the Chairman of the Board, the President or a Vice President, and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer.

Section 5.2. Signatures. Where a certificate is countersigned by (a) a transfer agent other than the Corporation or its employee, or (b) a registrar other than the Corporation or its employee, any other signature on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Section 5.3. Lost Certificates. The Board of Directors may direct a new certificate to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 5.4. Transfers. Stock of the Corporation shall be transferable in the manner prescribed by law and in these Bylaws. Transfers of stock shall be made on the books of the Corporation only by the person named in the certificate or by his attorney lawfully constituted in writing and upon the surrender of the certificate therefor, which shall be cancelled before a new certificate shall be issued.

Section 5.5. Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty days nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 5.6. Beneficial Owners. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by law.

ARTICLE VI

NOTICES

Section 6.1. Notices. Whenever written notice is required by law, the Certificate of Incorporation or these Bylaws to be given to any director, member of a committee or stockholder, such notice may be given by mail, addressed to such director, member of a committee or stockholder, at his address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Written notice may also be given personally or transmitted via facsimile.

Section 6.2. Waivers of Notice. Whenever any notice is required by law, the Certificate of Incorporation or these Bylaws to be given to any director, member of a committee or stockholder, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE VII

GENERAL PROVISIONS

Section 7.1. Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, and may be paid in cash, in property, or in shares of the capital stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

Section 7.2. Disbursements. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 7.3. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 7.4. Corporate Seal. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE VIII

INDEMNIFICATION

Section 8.1. Power to Indemnify in Actions, Suits or Proceedings Other Than Those by or in the Right of the Corporation. Subject to Section 8.3 hereof, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 8.2. Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Corporation. Subject to Section 8.3 hereof, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 8.3. Authorization of Indemnification. Any indemnification under this Article VIII (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 8.1 or Section 8.2 hereof, as the case may be. Such determination shall be made (a) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (b) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (c) by the stockholders. To the extent, however, that a director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith, without the necessity of authorization in the specific case.

Section 8.4. Good Faith Defined. For purposes of any determination under Section 8.1 or 8.2 hereof, a person shall be deemed to have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe his conduct was unlawful, if his action is based on the records or books of account of the Corporation or another enterprise, or on information supplied to him by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The term "another enterprise" as used in this Section 8.4 shall mean any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. The provisions of this Section 8.4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Section 8.1 or 8.2 hereof, as the case may be.

Section 8.5. Indemnification by a Court. Notwithstanding any contrary determination made in any specific case under Section 8.3 hereof, and notwithstanding the absence of any determination made thereunder, any director or officer may apply to any court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Sections 8.l and 8.2 hereof. The basis of such indemnification by a court shall be a determination by such court that indemnification of the director or officer is proper in the circumstances because he has met the applicable standards of conduct set forth in Section 8.1 or 8.2 hereof. Neither a contrary determination in the specific case under Section 8.3 hereof nor the absence of any determination thereunder shall be a defense to such application or create a presumption that the director or officer seeking indemnification has not met any applicable standard of conduct. Notice of any application for indemnification pursuant to this Section 8.5 shall be given to the Corporation promptly upon the filing of such application. If successful, in whole or in part, the director or officer seeking indemnification shall also be entitled to be paid the expense of prosecuting such application.

Section 8.6. Expenses Payable in Advance. Expenses incurred by a director or officer in defending or investigating a threatened or pending action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article VIII.

Section 8.7. Nonexclusivity of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by or granted pursuant to this Article VIII shall not be deemed exclusive of any other rights to which any person seeking indemnification or advancement of expenses may be entitled under any Bylaw, agreement, contract, vote of stockholders or disinterested directors or pursuant to the direction (howsoever embodied) of any court of competent jurisdiction or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that indemnification of the persons specified in Sections 8.1 and 8.2 hereof shall be made to the fullest extent permitted by law. The provisions of this Article VIII shall not be deemed to preclude the indemnification of any person who is not specified in Section 8.1 or 8.2 but whom the Corporation has the power or obligation to indemnify under the provisions of the DGCL or otherwise.

Section 8.8. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power or the obligation to indemnify him against such liability under the provisions of this Article VIII.

Section 8.9. Certain Definitions. For purposes of this Article VIII, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors or officers, so that any person who is or was a director or officer of such constituent corporation, or is or was a director or officer of such constituent corporation serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued. For purposes of this Article VIII, references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director or officer with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article VIII.

Section 8.10. Survival of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 8.11. Limitation on Indemnification. Notwithstanding anything contained in this Article VIII to the contrary, except for proceedings to enforce rights to indemnification (which shall be governed by Section 8.5 hereof), the Corporation shall not be obligated to indemnify any director or officer in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors of the Corporation.

Section 8.12. Indemnification of Employees and Agents. The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this Article VIII to directors and officers of the Corporation.

ARTICLE IX

AMENDMENTS

These Bylaws may be altered, amended or repealed, in whole or in part, or new Bylaws may be adopted by the stockholders or by the Board of Directors, provided, however, that notice of such alteration, amendment, repeal or adoption of new Bylaws be contained in the notice of such meeting of stockholders or Board of Directors as the case may be. All such amendments must be approved by either the holders of two-thirds of the votes entitled to be cast, voting as a single class, by holders of outstanding capital stock which by its terms may vote on all matters submitted to stockholders of the Corporation generally or by a majority of the Board of Directors then in office; provided, however, that Section 2.2 (except for Section 2.2(a)), Section 2.3, Section 3.1 (except for Section 3.1(a)) and this Article IX may be altered, amended or repealed only with approval of a majority of the Board of Directors then in office and approval of holders of two-thirds of the votes entitled to be cast, voting as a single class, by holders of outstanding capital stock which by its terms may vote on all matters submitted to stockholders of the Corporation generally.

ARTICLE X

CONFLICTS

If there is a conflict between the provisions of these Bylaws and the provisions of the Certificate of Incorporation or the mandatory provisions of the DGCL, such provision or provisions of the Certificate of Incorporation and the DGCL, as the case may be, will be controlling.

Exhibit 4.1
[Front of the Stock Certificate]

FIDELITY NATIONAL TITLE GROUP, INC.
A DELAWARE CORPORATION

Class A Common Stock

NUMBER SHARES

THIS CERTIFICATE IS TRANSFERRABLE
EITHER IN JERSEY CITY, NEW JERSEY
OR NEW YORK, NEW YORK.

CUSIP[___________]

SEE REVERSE FOR CERTAIN DEFINITIONS

This certifies that

is the owner of

FULLY PAID AND NON-ASSESSABLE SHARES OF THE PAR VALUE $.0001, PER SHARE OF THE CLASS A COMMON STOCK OF

FIDELITY NATIONAL TITLE GROUP, INC.

transferable only on the books of the corporation by the holder hereof in person or by duly authorized attorney upon surrender of this certificate properly endorsed. This Certificate is not valid unless countersigned and registered by the Transfer Agent and Registrar.

IN WITNESS WHEREOF, the Corporation has caused this certificate to be executed by facsimile signatures of its duly authorized officers and to be sealed with the facsimile seal of the Corporation.

Dated:

SECRETARY CHIEF EXECUTIVE OFFICER

Countersigned and Registered:

American Stock Transfer & Trust Company

Transfer Agent and Registrar

AUTHORIZED OFFICER

[Back of the Stock Certificate]

FIDELITY NATIONAL TITLE GROUP, INC.

THE CORPORATION WILL FURNISH WITHOUT CHARGE TO EACH STOCKHOLDER WHO SO REQUESTS A STATEMENT OF THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OF THE CORPORATION OR SERIES THEREOF AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND/OR RIGHTS. SUCH REQUESTS SHALL BE MADE TO THE CORPORATION'S SECRETARY AT THE PRINCIPAL OFFICE OF THE CORPORATION. THE CORPORATION IS AUTHORIZED TO ISSUE MORE THAN ONE CLASS OF STOCK, INCLUDING A CLASS OF PREFERRED STOCK, WHICH MAY BE ISSUED IN ONE OR MORE SERIES.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM-- as tenants in common
TEN ENT-- as tenants by the entireties
JT TEN -- as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT .... Custodian ....
(Cust) (Minor)
under Uniform Gifts to Minors
Act__________________________
(State)

UNIF TRANS MIN ACT .... Custodian ....
under Uniform Transfer to Minors
Act_________________________
(State)

ADDITIONAL ABBREVIATIONS MAY ALSO BE USED THOUGH NOT IN THE ABOVE LIST.

For value received, ____
hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
TAXPAYER IDENTIFICATION NUMBER OF ASSIGNEE

____

____
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING ZIP CODE OF ASSIGNEE)

____

____

____ Shares of the Class A Common Stock represented by the within certificate and do hereby irrevocably constitute and appoint

____ Attorney, to transfer the said shares on the books of the within named Corporation, with full power of substitution in the premises.

Dated ____

____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME(S) AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT, OR ANY CHANGE WHATEVER.

SIGNATURE(S) GUARANTEED: ____

THE SIGNATURE(S) MUST BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17AD-15.

KEEP THIS CERTIFICATE IN A SAFE PLACE. IF IT IS LOST, STOLEN, MUTILATED OR DESTROYED, THE CORPORATION WILL REQUIRE A BOND OF INDEMNITY AS A CONDITION TO THE ISSUANCE OF A REPLACEMENT CERTIFICATE.

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EXHIBIT 21.1

FIDELITY NATIONAL TITLE GROUP, INC.
All companies
As of 8/17/2005

1 Stop Cyber Mall, Inc.	New York
2027267 Ontario Inc.	Canada
Adnoram Settlement Agency of Ohio, LLC (50.1%)	Ohio
Aero Records & Title Co.	Oklahoma
Alamo Title Company	Texas
Alamo Title Company of Brazoria County, Inc. (d/b/a Alamo Title Company)	Texas
Alamo Title Company of Harris County, Inc. (d/b/a Alamo Title Company)	Texas
Alamo Title Company of Tarrant County, Inc. (d/b/a Alamo Title Company)	Texas
Alamo Title Holding Company	Texas
Alamo Title Insurance	Texas
Alamo Title of Guadalupe County, Inc. (d/b/a Alamo Title Company)	Texas
Alamo Title of Travis County, Inc. (d/b/a Alamo Title Company)	Texas
Alexander Title Agency, Incorporated	Virginia
All Counties Courier, Inc. (10%)	California
Amarillo Data, Inc. (50%)	Texas
American Document Services, Inc.	California
American Exchange Services, Inc.	Delaware

American Investment Properties, LLC	Delaware
American Title Company (inactive)	Texas
Amtitle Company	California
ANFI Holding, LLC	Delaware
ANFI, LLC	California
Antelope Valley Escrow Co.	California
APTIC.COM, Inc.	Florida
APTItude.com, Inc.	Florida
AssetLink Financial Corporation	Colorado
AssetLink, LLC	Pennsylvania
AssetLink, L.P.	Pennsylvania
BancServ, Inc.	California
Bankers Title of Northwest Indiana, LLC (5%)	Indiana
Baton Rouge Title Company, Inc.	Louisiana
Berrien County Title Agency, L.L.C. (50%)	Michigan
BHC&M, Ltd.	Virginia
Blue Ridge Title/CTIC, LLS (25%)	Virginia
Burnet Title of Indiana, LLC (25%)	Indiana
Capitol Abstract and Title Company (50%)	Oklahoma
Castle Escrow Holdings, LLC	California
CATCO, Inc. (50%)	Oklahoma

Chelsea Title Company	Florida
Chicago Escrow, Inc. (51%)	California
Chicago Land Agency Services, Inc. (52%)	Illinois
Chicago Title Agency of Nevada, Inc.	Nevada
Chicago Title and Trust Company	Illinois
Chicago Title Company	California
Chicago Title Company of Washington (d/b/a Chicago Title Company, Island Division)	Washington
Chicago Title Insurance Company	Missouri
Chicago Title Insurance Company of Oregon	Oregon
Chicago Title Insurance Company of Puerto Rico (99.2%)	Puerto Rico
Chicago Title Land Trust Company	Illinois
Chicago Title of Colorado, Inc.	Colorado
Chicago Title of Michigan, Inc.	Michigan
Chicago Title of the Florida Keys, Inc. (85%)	Florida
Closing Concepts, L.L.C	Pennsylvania
Closing Concepts, L.P.	Pennsylvania
Closing Concepts of Alabama, L.L.C	Alabama
Commonwealth Title Company	Washington
Community Title Company (51%)	California
Community Title, LLC (25%)	Texas
Comprehensive Closing Services, LLC (75%)	Michigan

Construction Disbursements LLC	Oregon
CTC GP, LLC	Delaware
CTC LP, LLC	Delaware
CT/Nevada Holding Company	Nevada
CUMC Title Agency, LLC (50%)	Michigan
Dallas-Fidelity National Title Agency, Inc. (d/b/a Fidelity National Title Agency, Inc.)	Texas
Dallas Seven Index, Inc. (14.3%)	Texas
Decatur Title Company L.L.C	Illinois
DFCU Financial Title Agency, L.L.C. (51%)	Michigan
Diversified Title Agency, LLC (50.1%)	Ohio
Duxford Escrow, Inc. (51%)	California
EC Purchasing.com, Inc.	Delaware
Executive Title Agency Corp.	Ohio
Fidelity Affiliates, LLC	Florida
Fidelity Asset Management, Inc.	California
Fidelity Express Network, Inc.	California
Fidelity Fulfillment Center, LLC (51%)	Delaware
Fidelity Global Solution Costa Rica, S.A	Costa Rica
Fidelity Inspection & Consulting Services, Inc.	Pennsylvania
Fidelity National Agency of Arizona, Inc. (51%)	Arizona
Fidelity National Builder Services, LLC	California
Fidelity National Company of Northern California	California

Fidelity National Management Services, LLC	Delaware
Fidelity National Title Agency, Inc.	Arizona
Fidelity National Title Agency of Nevada, Inc.	Nevada
Fidelity National Title Agency of Pinal County, Inc.	Arizona
Fidelity National Title and Abstract, Inc.	Maryland
Fidelity National Title & Escrow of Hawaii, Inc.	Hawaii
Fidelity National Title Company	California
Fidelity National Title Company of California	California
Fidelity National Title Company of Oregon	Oregon
Fidelity National Title Company of Washington, Inc.	Washington
Fidelity National Title Insurance Agency of Coconino	Arizona
Fidelity National Title Insurance Company	California
Fidelity Residential Solutions, Inc.	Kansas
Fidelity Title & Closing Solutions of Oklahoma, LLC	Delaware
First National Financial Title Services of Alabama, Inc.	Alabama
First Partners Title Agency, LLC (52.6%)	Ohio
First Title Corporation (d/b/a FTC Lenders Express and d/b/a Lenders Express Title and Escrow)	Tennessee
First Title Corporation of Alabama, Inc.	Alabama
Florida Affiliated Title Services, LLC (51%)	Florida
Florida Title Insurance Professionals, LLC (10%)	Florida

Florida West Title, LLC (10%)	Florida
FNF Canada Company	Canada
FNF Escrow Holdings, LLC	California
FNF Escrow Holdings II, LLC	California
FNF Escrow Holdings III, LLC	California
FNF Funding X, LLC	Delaware
FNF Intellectual Property Holdings, Inc.	Delaware
FNF National Record Centers, Inc.	Delaware
FNF Title Reinsurance Company	Vermont
FNT Real Estate Coordinators, LLC	New Jersey
Focus Title, LLC (10%)	Florida
Foreclosure Management Services, Inc.	New Jersey
Fortuna Service Company, LLC	California
Franchise Resale Consultants, LLC (25%)	Delaware
Fuentes and Kreischer Title Company	Florida
Gemini Escrow Services, Inc. (51%)	California
GIT Holding Company, Inc. (60%)	Illinois
Granite Title Company, LLC (12%)	Texas
Great Northern Title Agency, LLC (52.10%)	Ohio

Greater Illinois Title Company, Inc. (60%)	Illinois
Greenridge Title Agency, LLC (50%)	Michigan
Grundy Pioneer Title Company	Illinois
Harbor Holdings Co. (5%)	Florida
Heritage Title Company	Texas
HomeOwnershipTeam.com, Inc.	California
Homesold (d/b/a Real Property Marketing and d/b/a Professional Agent Referral)	California
iLumin Corporation (12.3%)	Delaware
Imaged Library Co., L.L.C. (29.79%)	Washington
Integrity Title Agency of Ohio & Michigan, Ltd. (25.05%)	Ohio
Interfirst Escrow, Inc. (51%)	California
Island Title Company	Washington
Kensington Development Corporation	California
Lake County Trust Company	Indiana
Lake First Title Agency, LLC (50.1%)	Ohio
Lakeland Title Services, Inc.	Wisconsin
Landmark REO Management Services, Inc.	Kansas

Land Title Company of Kitsap County (44.58%)	Washington
LaSalle County Title Company, L.L.C. (70%)	Illinois
LC Investment Corporation	Indiana
Lenders Title Agency, LLC (50.1%)	Ohio
Lexington Capital Corporation	Illinois
Liberty Title Agency, Inc. (51%)	Arizona
Manchester Development Corporation (d/b/a Orion Realty Group)	California
Marble Title Company, LLC (12%)	Texas
McHenry County Title Company	Illinois
McLean County Title Company	Illinois
McNamara, Inc.	Nevada
Member First Title Agency, LLC (50%)	Michigan
MFS Title of Texas, LP (5%)	Texas
MGEN Services Corp.	Delaware
Micro General, LLC	Delaware
Midwest Title Company	Delaware
Mission Trails Escrow, Inc. (51%)	California
National Link, L.L.C. (49.8%)	Pennsylvania
National Link, L.P. (49.5%)	Pennsylvania
National Link of Alabama, L.L.C	Alabama
National Title Company of Fresno County (51%)	California

National Title Company of San Francisco (51%)	California
National Title Company of Southern California (51%)	California
National Title Company of Ventura County (51%)	California
Nations Title Insurance of New York Inc.	New York
Nationwide Settlement Source, L.L.C	Pennsylvania
Nationwide Settlement Source, L.P.	Pennsylvania
Nationwide Settlement Source of Alabama, L.L.C	Alabama
New Market Title Agency, LLC (50.1%)	Ohio
Northwest Equities, Inc. (d/b/a NW Equities)	Texas
NRT Title Agency, LLC (30%)	Delaware
Ocean Escrow, Inc. (51%)	California
Ottawa-Kent Title Agency, LLC (50%)	Michigan
Pacific Escrow Solutions, Inc.	California
Palm Beach Joint Title Plant, Inc. (12.5%)	Florida
Perrett Title Agency, LLC (50%)	Michigan
Pioneer Land, LLC (51%)	New York
Pioneer Land Services, LLC	New York
Pioneer National Title Company	Arizona
Preferred Title Services, LLC (50%)	Michigan

Premier National Title Company (51%)	California
Prospect Office Partners, LP	California
Real Estate Index, Inc.	Illinois
Real Estate Settlement Solutions, L.L.C	Pennsylvania
Real Estate Settlement Solutions, L.P.	Pennsylvania
Real Estate Settlement Solutions of Alabama, L.L.C	Alabama
Real Living Title Agency, Ltd. (45.1%)	Ohio
RealtyCheck.com, LLC	Michigan
Recodat Co. (25%)	Ohio
Referral Connection, LLC	North Carolina
Region Title, LLC (35%)	Indiana
Rio Grande Title Company, Inc. (20%)	New Mexico
River Valley Abstract & Title, Inc.	Wisconsin
Rocky Mountain Printing Services, Inc.	California
Rocky Mountain Support Services, Inc.	Arizona
Saddleback Title Company (51%)	California
S.D.C. Title Agency, LLC (50.1%)	Ohio
Security Title Agency, Inc.	Arizona
Security Title Company, LLC	Wisconsin
Security Union Title Insurance Company	California
Sentry Service Systems, Inc.	Arizona
Service Link, L.P.	Pennsylvania

Service Link of Alabama, L.L.C	Alabama
Service Link of Texas LLC	Texas
S-K-L-D Title Services, Inc. (12.9%)	Colorado
Southeast Funding Title Associates, LLC (10%)	Florida
SouthshoreTitle, LLC (10%)	Indiana
Southwest Michigan Title Agency, LLC (50%)	Michigan
Spring Service Corporation	California
Spring Service Texas, Inc.	Texas
Statewide Settlement Services, LLC (25%)	Ohio
Stetler Title Agency, LLC (50%)	Michigan
SunCoast Team Title, LLC (10%)	Florida
Sunrise Research Corp.	New York
Superior Data Services, Inc.	New York
SWT Holdings, LLC	Texas
Tam Title & Escrow, LLC (10%)	Tennessee
Ten Thirty-One, L.L.C	Oregon
The Album CD, LLC (66 2/3%)	Delaware
The Maryland Title Guarantee Company	Maryland
The Title Company of Canada, Ltd.	Ontario, Canada
The Title Guarantee Company	Maryland
Third Millenium Title Agency, LLC (50.1%)	Ohio
Ticor Financial Company	California

Ticor Services, LLC	Delaware
Ticor Title Abstract of New York, Inc.	New York
Ticor Title Agency of Arizona, Inc.	Arizona
Ticor Title Company	Washington
Ticor Title Company of California	California
Ticor Title Company of Oregon	Oregon
Ticor Title Consultants Ltd.	Canada
Ticor Title Insurance Company	California
Ticor Title Insurance Company Limited	England
Ticor Title Insurance Company of Florida	Florida
Ticor Title of Nevada, Inc.	Nevada
Ticor Title of Washington, Inc.	Washington
Title Accounting Services Corporation	Illinois
Title America, LLC (50.1%)	Ohio
Title and Trust Company	Idaho
Title Closing Services, LLC (17.5%)	New Jersey
Title Data, Inc. (5.6%)	Texas
Title Info Now, LLC (14.29%)	Minnesota
Title Offices, LLC (30%)	Florida
Title Reinsurance Company (36.18%)	Vermont
Title Services, Inc.	Tennessee

TitleTek, Inc. (inactive)	Texas
TPO, Inc.	Oklahoma
Tri County Title Plant Association (37.5%)	Oregon
Triple Crown Title and Settlement Services, LLC (51%)	New Jersey
TSNY Agency of New York City, Inc. (d/b/a Title Services)	New York
TT Acquisition Corp. (d/b/a Texas Taxes)	Texas
United Financial Management Company	Nevada
United Land Title Agency, LLC (50.1%)	Ohio
United Title of Nevada, Inc.	Nevada
UTC Capital Group, Inc.	Texas
Villager Title, LLC (10%)	Florida
Washington Title Company	Washington
Washington Title Insurance Company (inactive)	Washington
Welles Bowen Title Agency, LLC (50.1%)	Ohio
Wentworth Title Agency, LLC (20%)	Florida
West Point Appraisal Services, Inc.	California
West Point Properties, Inc.	California
Western Financial Trust Company	California
Woodland Title Agency, LLC (50%)	Michigan
Yuma Title & Trust Company	Arizona

EXHIBIT 23.1

WHEN THE TRANSACTIONS REFERRED TO IN NOTE A OF THE NOTES TO COMBINED FINANCIAL STATEMENTS HAVE BEEN CONSUMMATED, WE WILL BE IN A POSITION TO RENDER THE FOLLOWING CONSENT.

/s/ KPMG LLP

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
Fidelity National Title Group, Inc.:

We consent to the use of our reports with respect to the Combined Balance Sheets of Fidelity National Title Group, Inc. and subsidiaries as of December 31, 2004 and 2003 and the related Combined Statements of Earnings, Equity and Comprehensive Earnings and Cash Flows for each of the years in the three-year period ended December 31, 2004, and the related Combined Financial Statement Schedule, included herein and in the registration statement, and to the reference to our firm under the headings “Summary Historical Financial Information,” “Selected Historical Financial Information,” and “Experts” in the prospectus.

Our report dated August 16, 2005, with respect to the Combined Balance Sheets of Fidelity National Title Group, Inc. and subsidiaries as of December 31, 2004 and 2003 and the related Combined Statements of Earnings, Equity and Comprehensive Earnings, and Cash Flows for each of the years in the three-year period ended December 31, 2004 refers to a change in accounting for stock-based employee compensation in 2003.

Jacksonville, Florida
August 16, 2005, except for Note A
which is as of   , 2005.

EXHIBIT 99.1

CONSENT OF PERSON NAMED AS
ABOUT TO BECOME A DIRECTOR

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named as a person about to become a director of Fidelity National Title Group, Inc., a Delaware corporation, in its Registration Statement on Form S-1 of the Company (File No. 333-126402) and any amendments thereto.

/s/ Willie D. Davis
Willie D. Davis

Dated: August 16, 2005

EXHIBIT 99.2

CONSENT OF PERSON NAMED AS
ABOUT TO BECOME A DIRECTOR

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named as a person about to become a director of Fidelity National Title Group, Inc., a Delaware corporation, in its Registration Statement on Form S-1 of the Company (File No. 333-126402) and any amendments thereto.

/s/ John F. Farrell Jr.
John F. Farrell, Jr.

Dated: August 16, 2005

EXHIBIT 99.3

CONSENT OF PERSON NAMED AS
ABOUT TO BECOME A DIRECTOR

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named as a person about to become a director of Fidelity National Title Group, Inc., a Delaware corporation, in its Registration Statement on Form S-1 of the Company (File No. 333-126402) and any amendments thereto.

/s/ Philip G. Heasley

Philip G. Heasley

Dated: August 16, 2005

EXHIBIT 99.4

CONSENT OF PERSON NAMED AS
ABOUT TO BECOME A DIRECTOR

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named as a person about to become a director of Fidelity National Title Group, Inc., a Delaware corporation, in its Registration Statement on Form S-1 of the Company (File No. 333-126402) and any amendments thereto.

/s/ William A. Imparato
William A. Imparato

Dated: August 16, 2005

EXHIBIT 99.5

CONSENT OF PERSON NAMED AS
ABOUT TO BECOME A DIRECTOR

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named as a person about to become a director of Fidelity National Title Group, Inc., a Delaware corporation, in its Registration Statement on Form S-1 of the Company (File No. 333-126402) and any amendments thereto.

/s/ Donald M. Koll

Donald M. Koll

Dated: August 16, 2005

EXHIBIT 99.6

CONSENT OF PERSON NAMED AS
ABOUT TO BECOME A DIRECTOR

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named as a person about to become a director of Fidelity National Title Group, Inc., a Delaware corporation, in its Registration Statement on Form S-1 of the Company (File No. 333-126402) and any amendments thereto.

/s/ General William Lyon
General William Lyon

Dated: August 16, 2005

EXHIBIT 99.7

CONSENT OF PERSON NAMED AS
ABOUT TO BECOME A DIRECTOR

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named as a person about to become a director of Fidelity National Title Group, Inc., a Delaware corporation, in its Registration Statement on Form S-1 of the Company (File No. 333-126402) and any amendments thereto.

/s/ Frank P. Willey
Frank P. Willey

Dated: August 16, 2005

LEBOEUF, LAMB, GREENE & MACRAE LLP

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August 17, 2005

BY FACSIMILE AND FEDERAL EXPRESS

Gregory S. Belliston
Division of Corporation Finance
Mail Stop 6010
United States Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: Fidelity National Title Group, Inc.
Amendment No. 1 to Registration Statement No. 333-126402 on Form S-1 filed August 17, 2005

Dear Mr. Belliston:

This letter is being submitted in response to the comments given by the staff of the Division of Corporation Finance (the "Staff") of the United States Securities and Exchange Commission (the "Commission") set forth in your letter of July 29, 2005 to Raymond R. Quirk, Chief Executive Officer of Fidelity National Title Group, Inc. (the "Company" or "FNT"), with respect to the above-referenced registration statement (the "Registration Statement"). We are authorized by the Company to provide the responses contained in this letter on its behalf.

This letter is being filed concurrently with Amendment No. 1 to the Registration Statement ("Amendment No. 1"). For your convenience, we set forth each comment from your comment letter in bold typeface and include the Company's response directly below each comment. All page references are to pages of the blacklined version of Amendment No. 1, which is marked to show changes from the original Registration Statement filed on July 6, 2005 and includes the Prospectus as revised.

In connection with the Company's response, we are submitting the following materials:

1. Five revised, clean courtesy copies of Amendment No. 1; and
2. Five blacklined courtesy copies of Amendment No. 1, marked to show changes from the initial Registration Statement filed on July 6, 2005.

Letters to FNF Shareholders and FNT Shareholders

1. Please state in the FNT letter and better highlight, using boldface or larger type, that the receipt of FNT shares is a taxable event.

The letter to stockholders of Fidelity National Financial, Inc. ("FNF") and the letter to stockholders of FNT have been amended to reflect the Staff's comment.

Prospectus Cover Page

2. In the cover letters and the Summary, where you state that the Class A stockholders will have 17.5% of the common stock, please also disclose, as you disclose on page 10, that FNF will hold 97.9% of the voting power because of the Class B common stock's ten-to-one voting preference.

The letters to FNF and FNT stockholders and the Summary in the Registration Statement have been amended to reflect the Staff's comment in Amendment No. 1.

Prospectus Summary, page 1

3. The "Company Overview," "Competitive Strengths," "Strategy," and "Company History" discussions in the Summary are repeated almost verbatim on pages 37 — 39 in the Business section of your document. Please revise to provide a shorter summary of the information that is contained in the Business section, rather than repeating entire paragraphs of your document in the Summary.

The Registration Statement has been amended to reflect the Staff's comment on pages 1 through 3 of Amendment No. 1.

4. Your summary does not present a balanced view of your business. Currently, your summary is a detailed discussion of only the positive aspects of your business and strategy. Please revise the summary to present a balanced picture. The balancing disclosure you provide should be no less prominent than your positive disclosure and should appear under appropriate headings. Also, since you discuss your strengths and strategy, the balancing disclosure in each of those subsections should discuss the difficulties you face and the obstacles you will need to overcome to accomplish your strategy objectives. Among other things, you should discuss the fact that A.M. Best downgraded your financial strength rating.

The Registration Statement has been amended to reflect the Staff's comment on page 3 of Amendment No. 1.

Risk Factors, page 7

5. Do state laws regulate the price of your policies? If so, please include a risk factor addressing this issue.

The Registration Statement has been amended to reflect the Staff's comment on page 8 of Amendment No. 1.

6. Your first two risk factors allude to risks that may affect your business, operating results, and financial condition, without fully describing those risks. For example, your first risk factor discusses interest rates, general and specific economic conditions, and seasonality. Your second risk factor mentions prevailing economic, regulatory, competitive and other conditions in California. Either expand these two risk factors to more completely and specifically describe the mentioned risks or create separate risk factors to adequately and completely describe all of the material risks.

The Registration Statement has been amended to reflect the Staff's comment on page 7 of Amendment No. 1.

Our subsidiaries engage in insurance-related businesses..., page 8

7. If any specific regulation has presented a material difficulty to your business, please identify the regulation and discuss the situation. It may be appropriate to place this disclosure in a separate risk factor.

The Company does not believe any specific regulation has presented a material difficulty to the Company's business. The Company has amended the Registration Statement in response to comments five and eight, disclosing prospective risks in connection with state regulation of policy pricing and regulatory investigations and the possibility of new regulation resulting from these investigations. A separate risk factor also discusses potential risks in connection with state regulation of dividend payments by the Company's subsidiaries.

8. Please discuss the investigations of the California Department of Insurance and National Association of Insurance Commissioners in a separate risk factor. Also, explain in more detail the subject matter of these investigations. For example, which "reinsurance practices" are being investigated?

The Registration Statement has been amended to reflect the Staff's comment on page 8 of Amendment No. 1.

If the rating agencies further downgrade our company..., page 8

9. Please state how many ratings each of the five rating agencies have, and state where your ratings rank in these totals.

The Registration Statement has been amended to reflect the Staff's comment on page 9 of Amendment No. 1.

The Distribution, page 13

10. Please state that Fidelity National Financial, Inc. is both a selling shareholder and an underwriter in this transaction and provide the required selling shareholder disclosure.

Section 2(a)(11) of the Securities Act of 1933 (the "Securities Act") defines an underwriter as "any person who has purchased from an issuer with a view to, or offers or sells for an issuer in connection with, the distribution of any security, or participates or has a direct or indirect participation in any such undertaking, or participates or has a participation in the direct or indirect underwriting of any such undertaking...." As disclosed in the Registration Statement, the Company is currently a wholly-owned subsidiary of FNF and the distribution of the shares of common stock will be made pro rata to all current holders of FNF common stock.

The Company believes that the Division of Corporation Finance Staff Legal Bulletin No. 4 provides authority for the proposition that FNF will not be an underwriter in this distribution. In Staff Legal Bulletin No. 4, the Staff set forth five criteria for determining whether a distribution by a parent company of shares of a subsidiary to the parent company's shareholders constitutes a "sale" requiring registration under the Securities Act. If the five criteria are met, then the spin-off is not a "sale" and is not required to be registered. The five criteria and their application to the distribution are as follows:

- *The parent shareholders do not provide consideration for the shares distributed in the spin-off.* FNF shareholders will not be paying any consideration in connection with the distribution of common shares of the Company.
- *The spin-off is pro-rata to the parent shareholders.* FNF is distributing shares on a pro rata basis to the holders of FNF's common stock. Each holder of FNF's common stock will receive .175 shares of Fidelity National Title Group's Class A Common Stock.
- *The parent provides adequate information about the spin-off and the subsidiary to its shareholders and to the trading markets.* FNF is a reporting person under the Securities Exchange Act of 1934, as amended, and files annual, quarterly and periodic reports, proxy statements and other information with the SEC.

Information regarding the title insurance subsidiaries that are held by the Company is included in these reports.

- *The parent has a valid business purpose for the spin-off.* The Registration Statement sets forth several valid business purposes for the distribution, including: (i) enhancing the ability of the financial markets to evaluate the individual operations of the title business; (ii) allowing investors who prefer title company operations to that of the broader operations of FNF to own an investment directly in FNT; and (iii) separating incentive compensation plans for key employees to provide incentives that are more directly related to the performance of the title insurance business.
- *If the parent spins-off "restricted securities," it has held those securities for at least two years.* According to Staff Legal Bulletin No. 4, the two-year holding period position required to help determine the parent is not an underwriter when spinning-off "restricted securities" is not required where the parent has formed the subsidiary being spun-off. FNF formed Fidelity National Title Group for the purpose of being the public holding company for its title insurance businesses. Moreover, FNF has held substantially all of the subsidiaries of FNT for more than two years.

Since the distribution described in the Registration Statement meets all the criteria under Staff Legal Bulletin No. 4, the Company believes FNF is not an underwriter within the meaning of Section 2(a)(11) of the Securities Act or a selling stockholder.

The Company recognized prior to filing its registration statement that the Staff might not agree with its analysis that the Staff Legal Bulletin No. 4 requirements are met, so to avoid any potential disagreements with the Staff, the Company decided to file on a Form S-1. If the Staff agrees with the Company's analysis that FNF is not an underwriter and the distribution by FNF meets the criteria under Staff Legal Bulletin No. 4, the Company would prefer to withdraw the Form S-1 and re-file on a Form 10. If the Staff does not agree, however, the Company strongly prefers to retain the ability to take the position in the future that it is not an underwriter, which could be foreclosed if it were required to include the requested disclosure.

Furthermore, the Company has reviewed other spin-off transactions on Form S-1 and has not found the requested language in any of those transactions. See for example, National Patent Development Corporation, Form S-1 filed August 26, 2004, File No. 333-118568; TRW Automotive, Inc., Form S-1 filed August 20, 2002, File No. 333-89778; and MagnaCash, Inc., Form S-1/A filed September 13, 2000, File No. 333-43108.

The information required by Item 507 of Regulation S-K can be found on page 82 of the Registration Statement under the heading "Ownership of Common Stock."

No Fractional Shares, page 14

11. Please disclose the approximate per share value that will be used to determine the cash payment made in connection with the fractional shares.

The Registration Statement has been amended to address the Staff's comment on page 14 of Amendment No. 1. The disclosure has been revised to include additional information about the sale of the fractional shares (which disclosure is consistent with the requirements for non-registered sales of fractional shares as set forth in Staff Legal Bulletin No. 4).

Forward-Looking Statements, page 15

12. The second and third paragraphs of this section seem to suggest the Risk Factors section is incomplete. The Risk Factors section should include all risks you believe are material, and it is inappropriate to refer in the Risk Factors section or in any other part of your document to risks that are not material. Please revise or delete the second and third paragraphs of the Forward-Looking Statements section so they are consistent with this policy.

The Registration Statement has been amended to reflect the Staff's comment on page 15 of Amendment No. 1.

Dividend Policy, page 15

13. Describe briefly the regulatory restrictions on your ability to pay dividends.

The Registration Statement has been amended to reflect the Staff's comment on page 15 of Amendment No. 1.

Selected Historical Financial Information, page 17

14. Your current presentation that includes labeling each column as unaudited creates the impression that the columns not marked as such have been audited. Please clarify for us whether the auditors performed an audit in compliance with SAS 42 of this information or revise the presentation accordingly.

The auditors have not performed a SAS 42 audit on the selected financial data, but the 2004, 2003 and 2002 data were derived from audited data as noted to the lead-in of the table. The Company has removed the labeling from the columns to remove the impression that any of the information presented was subject to a SAS 42 audit.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Recent Developments, page 22

15. Please file as an exhibit the agreement underlying your acquisition of Service Link. See Item 601(b)(2) and (b)(10)(ii)(C) of Regulation S-K. Also, provide us with your analysis of the applicability of Item 3-05 of Regulation S-X with respect to the acquisition of Service Link.

The analysis with respect to the non-applicability of Item 3-05 is as follows: FNT's investment of $110 million is 2.2% of FNT's total assets as of December 31, 2004; Service Link's assets of $19.1 million was 0.4% of FNT's total assets as of December 31, 2004; and Service Link's pretax income was 0.7% of FNT's pretax income for 2004. Since none of these measurements exceeds 20%, there is no requirement to include the financial statements of Service Link LLC in this filing. The Company views the contract to purchase Service Link as being a contract not made in the ordinary course of business which is not material to the Company. Therefore, under Item 601(b)(10)(i) of Regulation S-K, the contract does not need to be filed. Furthermore, even if considered to be a contract made in the ordinary course, the Company believes, based on the financial analysis above, that this contract is "immaterial in amount and significance" and need not be filed under Item 601(b)(10)(ii). Finally, under Item 601(b)(10)(ii)(C) of Regulation S-K, Service Link's fixed assets represented 5.1% of the Company's fixed assets as of June 30, 2005 on a consolidated basis. In light of the above factors, the Company also does not view the acquisition of Service Link to be a material plan of acquisition under Item 601(b)(2) of Regulation S-K.

Critical Accounting Policies, page 23

16. We note that the discussion of the critical accounting policies appears to reiterate in some regards the information included in the notes to the financial statements. Please revise your critical accounting policies which we believe should be described as critical accounting "estimates" to disclose the uncertainties involved in applying each principle and discuss the variability that is reasonably likely to result from the application. For each estimate identified, ensure that you have analyzed and disclosed to the extent possible the following factors:

a. How management arrived at the estimate;

b. How accurate management's estimate/assumption has been in the past;

c. Whether the estimate/assumption is reasonably likely to change in the future; and

d. Evaluate the sensitivity to change of critical accounting policies.

Refer to Release 33-8350.

The Registration Statement has been amended to reflect the Staff's comments on pages 23 through 27 of Amendment No. 1.

Reserve for Claim Losses, page 23

17. We believe your disclosure in Management's Discussion and Analysis regarding the reserve for claim losses could be improved to better explain the judgments and uncertainties surrounding this estimate and the potential impact on your financial statements. We believe that disclosures explaining the likelihood that materially different amounts would be reported under different conditions or using different assumptions is consistent with the objective of Management's Discussion and Analysis. Accordingly, please revise MD&A to include the following information for each of your lines of business.

a. Please disclose the reserves accrued as of the latest balance sheet date presented. The total of theses amounts should agree to the amount presented on the balance sheet.

b. Please disclose the range of loss reserve estimates as determined by your actuaries. Discuss the key assumptions used to arrive at management's best estimate of loss reserves within that range and what specific factors led management to believe this amount rather than any other amount within the range represented the best estimate of incurred losses.

c. If you do not calculate a range around your loss reserve, but instead use point estimates please include the following disclosures:

1. Disclose the various methods considered and the method that was selected to calculate the reserves. If multiple point estimates are generated, include the range of these point estimates. Include a discussion of why the method selected was more appropriate over the other methods.

2. Discuss how management determined the most appropriate point estimate and why the other point estimates were not chosen. Also clarify whether the company actually records to the point estimate or if not, how that estimate is used.

3. Include quantified and narrative disclosure of the impact that reasonably likely changes in one or more of the variables (i.e. actuarially method and/or assumptions used) would have on reported results, financial position and liquidity.

d. Because IBNR reserve estimates are more imprecise, please disclose the amount of IBNR separately from case reserves for all lines of business.

The Registration Statement has been amended to reflect the Staff's comments on pages 23 through 25 of Amendment No. 1.

Comparisons of Three Months Ended March 31, 2005 and 2004, page 24

Results of Operations, page 24

18. Please provide a better discussion of what the metrics "Orders opened by direct title operations" and "Orders closed by direct title operations" represent. Include how the amounts disclosed for each impact operations in the current period.

The Registration Statement has been amended to reflect the Staff's comments on page 27 of Amendment No. 1.

Liquidity and Capital Resources, page 31

Cash requirements, page 31

19. We note that most of your liquidity discussion appears to be from the holding company perspective. Please revise your MD&A to address this information at the operating subsidiary level. Specifically include a more robust discussion of the reasonably likely impact the payment of claims will have on known trends and uncertainties, in particular cash outflows from operations. Specifically address your asset/liability management process and whether there are any significant variations between the maturity of your investments and the expected payment of your loss reserves. Include a discussion of the impact of selling securities before anticipated or the use of credit facilities to pay for policy liabilities will have on your future liquidity and results of operations.

The Registration Statement has been amended to reflect the Staff's comments on page 34 of Amendment No. 1.

20. On page 3, you state that you are currently upgrading your operating system to improve ordering and delivery. If this will result in material capital expenditures, state the amount of those expenditures here.

The costs associated with the upgrade of the Company's operating system have already been incurred and did not in the view of the Company require any material capital expenditures. No future material capital expenditures are anticipated in connection with the upgrade in the view of the Company.

<u>**Contractual Obligations, page 32**</u>

21. Please revise your presentation of the "Title claim reserve" to be included in the contractual obligation table with your other obligations.

The Registration Statement has been amended to reflect the Staff's comment on page 35 of Amendment No. 1.

22. Elsewhere in the filing, you disclose the estimated payments relating to pension and postretirement plans. As these payments represent future obligations of the Company, we believe the inclusion of estimated pension and postretirement payments in the contractual obligations table or a related footnote disclosure will provide investors increased transparency of your cash flow. Based on the above factors, please revise your contractual obligations table to include these payments or supplement the table with additional information that will assist the investor with understanding the Company's cash requirements. Lastly, consider the need to incorporate a discussion to describe any known trends and uncertainties related to your pension plan that will likely result in a material change in your results of operations, financial condition, or your liquidity.

The Company has added the projected future cash flows relating to its pension and postretirement plans to the table on page 35. The pension plan and postretirements plans were inherited by the Company in its acquisition of Chicago Title in 2000 and the pension plan has been frozen and the postretirement medical plan is only available to a small group of "grandfathered" employees. The amounts of the unfunded benefit obligations relating to these plans combined are less than 4% of total liabilities and less than 2% of total assets, and thus the Company does not believe any additional disclosure related to these plans is necessary.

<u>**Business**</u>

<u>**Competitive Strengths, page 37**</u>

23. Please disclose what your operating margins are, and explain the basis for your belief that they are among the best in the industry.

The Company determines operating margins by dividing net income from title insurance operations by gross revenues from title insurance operations. Either under this formulation or under other similar formulations for calculating operating margins, the Company's operating margins are substantially higher than the Company's primary competitors. Under the above formulation, the operating margins for revenues from title insurance for the Company and its primary competitors for the year ended December 31, 2004 would be:

- 14.30% operating margin for the Company;

- 6.54% operating margin for The First American Corporation;
- 6.69% operating margin for LandAmerica Financial Group, Inc.;
- 6.15% operating margin for Stewart Information Services Corporation; and
- 5.95% operating margin for Old Republic International Corporation.

However, the statement that the Company’s operating margins are among the best in the industry is informing investors of the Company’s position among its primary competitors and is not meant to provide a specific benchmark as to prospective operating margins. Given there are multiple means to calculate operating margins and that the Registration Statement simply states that the Company’s operating margins are “among the best in the industry,” the Company believes that disclosing specific operating margins is not necessary.

Reinsurance and Coinsurance, page 41

24. We note you reinsure certain risks, and you assume reinsurance for other title insurers.

- **Please disclose the amount of premiums earned from your customers, as opposed to other title insurers for whom you assume reinsurance, during the past two years, and state how much of these premiums you passed along to reinsurers.**
- **Identify your principal reinsurers, and state how much of your premiums you ceded to each one.**
- **Disclose the percentage of your risk that you currently reinsure.**
- **Please disclose the amount of revenues you earned by assuming reinsurance for other title insurers during the past two years.**
- **Please file as exhibits the written agreements with your principal reinsurers and with the companies for whom you assume reinsurance, and discuss the material terms of the agreements in the body of your filing. These terms would include the type of policies to which the agreements apply, both parties’ financial obligations under the agreements, expiration date and termination provisions, and any other material rights and obligations of the parties.**

	2004	2003
Premiums earned directly from Customers (in thousands)	$4,723,498	$4,702,343
Premiums from other title insurers (in thousands)	2,267	1,924
Premiums ceded to reinsurers (in thousands)	(7,548)	(3,518)
Net premiums (in thousands)	$4,718,217	4,700,750

Since the amounts earned from other title insurers and the amounts reinsured are clearly immaterial to the Company's business, the Company will revise its disclosure to state as such and does not believe any further disclosure is necessary.

Legal Proceedings, page 45

25. Please explain in more detail the allegations in the class action suit in California.

The Registration Statement has been amended to reflect the Staff's comment on pages 47 through 49 of Amendment No. 1.

26. For every lawsuit discussed in this section, please state the amount of potential damages or, if you have settled, the amount you agreed to pay.

The amount of potential damages in the disclosed litigation is not "reasonably estimable" and therefore has not been disclosed. Consistent with FAS 5, the Company has revised the disclosure to note the difficulties and complicated legal and factual issues that make determining an estimate of the amount or range of loss unreasonable. Under Financial Accounting Standards No. 5, an estimated loss from a loss contingency is only required where the loss is both probable and can be reasonably estimated. Since meaningful estimates of the amount or range of loss are not possible, the Company has revised the disclosure to indicate the reasons why estimates are not available.

Further, the Company does not believe that including information about the amount of damages demanded in each complaint would be meaningful to investors, and in fact including such amounts could be misleading, for a number of reasons. Frequently plaintiffs make no attempt to claim damages that bear any real relation to the actual damages they will seek to prove or that could result from the case. Oftentimes damages are stated at a level that brings the case within the jurisdiction of a particular court, to avoid a court plaintiffs believe to be less advantageous. Further, purported plaintiff classes are often ill-defined, making it impossible to tell how many total claims are being made. Finally, FAS 5 does not require the amount of damages sought to be disclosed. The Company has, however, modified the disclosure to ensure that the types of damages sought have been described.

Several lawsuits that were previously disclosed by the Company were settled for amounts that were not material and are therefore no longer included in the disclosure.

<u>**Regulation, page 47**</u>

27. Please state whether or not you are currently in compliance with each of the laws, rules and regulations you mention in this section. Also, describe any incidence of noncompliance over the past three years.

The Registration Statement has been amended to reflect the Staff's comment on page 51 of Amendment No. 1. The company has also retained language regarding compliance with specific laws, rules and regulations at the end of specific paragraphs that were included in the original filing of the Registration Statement (e.g., at the end of the paragraph on page 50 that discusses maintaining certain levels of minimum capital and surplus).

<u>**Management, page 51**</u>

28. It appears Mr. Foley is the only director who has been selected as of now, as the other individuals are labeled as various types of officers. Please explain when and how you will select your initial directors.

The members of the Board of Directors of FNT were announced on July 27, 2005 and the Registration Statement has been updated to reflect these directors of FNT on pages 53 of Amendment No. 1.

<u>**Shares of FNF Common Stock, page 55**</u>

29. The table includes everyone you have identified on page 51 as an officer or director except for Mr. Foley, yet the total shares held by officers and directors is much higher than the sum of the amounts held by each individual officer/director. Please explain or reconcile this difference.

The Registration Statement has been amended to reflect the Staff's comment on page 58 of Amendment No. 1.

<u>**FNF Corporate Services Agreements, page 66**</u>

30. Please disclose the payment terms and durations of the corporate services agreements. Also, for each, disclose the amount you will receive and pay to FNF. Provide similar disclosure regarding the FIS corporate services agreement discussed on pages 69 — 70.

The Registration Statement has been amended to reflect the Staff's comment on pages 68 and 69 of Amendment No. 1.

31. We note that you have yet to file any of these agreements and we have not had the benefit of reviewing them. However, please ensure that all of the disclosure required by Item 404 of Regulation S-K is disclosed concerning these contracts.

This disclosure should be more comprehensive and detailed than the disclosure describing arms-length contracts. Also, additional information will have to be disclosed. For example, as to any transaction involving the purchase or sale of assets by or to FNT, otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and, if acquired by the seller within two years prior to the transaction, the cost thereof to the seller. Indicate the principle followed in determining the registrant's purchase or sale price and the name of the person making such determination. This disclosure must be provided for each such transaction. See Instruction 5 of Item 404(a) of Regulation S-K. We note the intellectual property agreement in particular.

The Registration Statement has been amended to reflect the Staff's comment on pages 65 through 82 of Amendment No. 1. As stated on page 73, there will be no cash payment required under the Intellectual Property Cross License Agreement.

New Notes Payable to FNF, page 67

32. Please file the notes as exhibits.

The Company notes the Staff's comments and will attach the new notes as exhibits prior to effectiveness. The Company understands that the Staff will need time to examine them prior to effectiveness and may have additional comments.

Employee Matters Agreement, page 68

33. Please describe the terms of this agreement in more detail. For example, what responsibilities and liabilities will you have? What is the approximate amount you will be required to pay to the employee benefit plans or to reimburse to FNF?

The Registration Statement has been amended to reflect the Staff's comment on pages 71 and 72 of Amendment No. 1.

Intellectual Property Cross License Agreement, page 69

34. Please describe the terms of this agreement in more detail. Discuss any payments you will make or receive, identify the subjects of the licenses, state the duration and termination provisions, and describe any other material terms of the agreement.

The Registration Statement has been amended to reflect the Staff's comment on page 73 of Amendment No. 1.

Lease Agreement, page 71

35. Please disclose the amount you will be required to pay for the lease. Also, disclose the payment terms and amount for the Master Information Technology Services Agreement.

The Registration Statement has been amended to reflect the Staff's comment on page 76 of Amendment No. 1.

Certain Relationships and Related Transactions, page 73

36. Please disclose the amount paid or received pursuant to every agreement discussed in this section. Also, please ensure that every agreement discussed in this section is filed as an exhibit.

The Registration Statement has been amended to reflect the Staff's comment on pages 78 through 82 of Amendment No. 1. Every agreement discussed will be filed prior to effectiveness.

Common Stock, page 77

37. Please disclose whether the Class B Common Stock has cumulative voting rights.

The Registration Statement has been amended to reflect the Staff's comment on page 82 of Amendment No. 1.

Provisions of our Certificate of Incorporation Relating to Corporate Opportunities, page 80

38. Please compare and contrast your officers' and directors' fiduciary duties as defined by your certificate of incorporation with those defined by state law. Disclose, if true, that state law will override your certificate of incorporation in the event of a conflict. If any statute, regulation, or case law addresses situations in which officers and directors work for two affiliated companies, discuss these laws. We may have further comments.

The Registration Statement has been amended to reflect the Staff's comment on pages 85 and 86 of Amendment No. 1.

United States Federal Income Tax Considerations, page 81

39. We note the tax opinion addresses the "principal United States federal income tax consequences" of the transaction. Please replace the word "principal" with "material," and revise the opinion as necessary so that it discusses all material tax consequences of the transaction.

The Registration Statement has been amended to reflect the Staff's comment on page 87 of Amendment No. 1.

40. Please delete the first sentence of the third full paragraph on page 82, which reads, "This summary is for general information purposes only and is not intended to be, and should not be construed to be, legal or tax advice to any particular shareholder." Also, delete the first sentence of the legend constituting the fourth full paragraph on page 84.

The Company believes that deleting the statements on pages 87 through 90 indicating the summary tax disclosure is for general information purposes and does not constitute advice to any particular shareholder would present an inaccurate picture. These statements are intended to be read in conjunction with the accompanying statement in the disclosure that shareholders consult their own tax counsel to determine the tax consequences of the distribution in their particular circumstances. If the sentences were deleted as requested, the focus on the general nature of the tax summary would be lost and the recommendation that shareholders seek advice on this transaction from a qualified tax adviser, who would take into account the shareholder's own individual circumstances, could be diluted. In addition, the Company is not in a position to render legal or tax advice to its shareholders, and the summary should state that it does not constitute such advice. Finally, this language is standard with other similar tax summaries in recent spin-offs. See for example, MagnaCash, Inc., Form S-1/A filed September 13, 2000, File No. 333-43108 and SFX Entertainment, Inc., Form S-1/A filed February 11, 1998, File No. 333-43287.

Financial Statements – December 31, 2004

Combined Statements of Equity and Comprehensive Earnings, page F-5

41. Based on your current presentation it appears that the operations of the company are not a separate legal entity within FNF. Please include in your notes a discussion of the current capital structure as well as a discussion of what the capital structure will be like after the distribution of your shares including disclosing the debt issuances and dividends to FNF that will take place prior to the distribution. Also provide to us any consideration given to the presentation of earnings per share based on the new capital structure that will be in place at the time of the distribution.

The Company has revised its disclosure in Note A to the Combined Financial Statements on pages F-7, F-8, F-39 and F-40 of Amendment No. 1. Regarding the presentation of earnings per share, the Company will amend the filing when the various transactions and approvals have occurred which will allow the combined entities to be contributed to the holding company and the capital structure of that holding company to be finalized.

Combined Statements of Cash Flows, page F-6

42. **Please provide to us a discussion of how you determined that the current presentation related to the secured trust deposits is appropriate. Specifically include a discussion of the appropriateness of recognizing these assets within your financial statements in addition to the cash flow presentation. Include references to any specific paragraphs within the authoritative literature upon which you relied in this determination.**

In the State of Illinois, a trust company is permitted to commingle and invest customers' deposits with those of the Company, pending completion of real estate transactions. Accordingly, the Company's Combined Balance Sheets reflect a "secured trust deposit liability" for the amount owed to customers as of each balance sheet date. The Company's practice of commingling consists of combining the customers' deposits into designated fiduciary cash accounts. Amounts are subsequently distributed to other general corporate cash accounts and used for various corporate purposes including, but not limited to, general corporate expenditures and investment in long-term and short-term securities. In accordance with the requirements of the State of Illinois, the Company must compare the balances in its fiduciary cash accounts with the balance in its "secured trust deposit liability" account, and determine the amount of additional corporate assets that it must designate as "pledged" to collateralize the "secured trust liability". The Company can pledge any securities that it holds so long as they are of a class in which corporate fiduciaries are authorized to invest under the rules of the State of Illinois. At each balance sheet date, the Company pledges an amount of cash and securities in excess of the total amount of monies in all fiduciary accounts in order to ensure that there are always sufficient pledged assets to cover the secured trust deposit liability.

For purposes of presentation on the statement of cash flows the period over period change in pledged cash and such investments is recorded as an operating item in its cash flow statement. The Company believes that this presentation is appropriate and consistent with the commingling of such assets for operational needs and the related restriction of these assets for general investment purposes and/or activities.

A. Summary of Significant Accounting Policies, page F-7

Description of Business, page F-7

43. **You make the statement in the last sentence of this section that you operate your business as one segment. We note in other portions of the document that it appears that you segregate your revenues between several product types including residential, commercial, refinance, new sales, etc. Please revise your notes to include the revenues generated by these various product types. Refer to paragraph 37 of SFAS 131.**

Paragraph 37 of SFAS 131 states that, "An enterprise shall report the revenues from external customers for each product and service or each group of similar products and services unless it is impracticable to do so. The amounts of revenues reported shall be based on the financial information used to produce the enterprise's general-purpose financial statements. If providing the information is impracticable, that fact shall be disclosed."

While the Company considers industry statistics and trends as captured by the Mortgage Banker's Association ("MBA") and others in terms of refinance, resale and commercial real estate transactions, it does not capture its revenues to that level of detail which would allow it to separately report that information. The Company reviews certain key statistics as reported weekly by the MBA, including total loan originations, refinance loan originations, purchase index, refinance index, and the average 30-year fixed mortgage rate and the Company makes certain assumptions about its own results based upon that information. The Company's results have historically trended consistently with those reported by the MBA. The Company is comfortable in making these assertions because it believes that its fee per file trends consistently with the MBA statistics in that it increases in higher sale and lower refinance environments and decreases when sales are lower and refinancing transactions are higher. In addition, the Company's order levels fluctuate consistently with spikes in refinance business causing spikes in order levels which fall when refinancing transactions fall.

The Company has revised the document on pages F-7 and F-39 to provide additional disclosure on the impracticability of further segregating its revenue information.

<u>Reinsurance, page F-13</u>

44. Please include the disclosure required by paragraphs 27 – 28 of SFAS 113 related to your reinsurance agreements.

See response to comment 24. The Company believes that its reinsurance agreements are immaterial to its business and thus does not see the need for further disclosure.

<u>B. Acquisitions, pages F-14 – F-15</u>

<u>Acquisition of Micro General Corporation, page F-15</u>

45. Please tell us and revise your disclosure to state how you accounted for the acquisition of Micro General Corporation in the historical financial statements. Cite appropriate accounting literature as appropriate.

The Company has included the disclosure that appeared in FNF's Form 10-K for the year ended December 31, 2002 in its response below, but believes that including this disclosure in its registration statement would not be useful because given the complicated, nature of the accounting involved, the smaller size of the transaction and the fact that Fidelity National Information Services, Inc. is not going to be a subsidiary of FNT, such disclosure would be confusing and is not particularly material to investors in the Company.

On April 30, 2002, FNIS, previously a majority owned subsidiary of FNF, announced a tender offer for all of the outstanding shares of Micro General, whereby each share of Micro General common stock would be exchanged for shares of FNIS common stock. On July 9, 2002, the tender offer and subsequent short form merger was completed and Micro General became a wholly-owned subsidiary of FNIS. FNIS issued approximately 12.9 million shares of common stock to Micro General stockholders to consummate the transaction. As of December 31, 2002, FNF, through a wholly-owned subsidiary of FNT, owned approximately 66.1% of the outstanding common stock of FNIS. In the Company's Consolidated Financial Statements, this transaction is accounted for in accordance with Statement of Financial Accounting Standards No. 141, "Business Combinations" ("SFAS No. 141") and FASB Technical Bulletin 85-5. Accordingly, FNIS's acquisition of the minority stockholders' interest in Micro General (the "noncontrolled equity interest") was recognized by the Company as the acquisition of shares from a minority interest, which is accounted for by the purchase method under SFAS No. 141. FNIS's acquisition of the Company's interest in Micro General (the "controlled equity interest") is not considered a business combination and, therefore, the Company recognized the related assets and liabilities transferred from the controlled equity interest in Micro General to FNIS at their historical carrying values. The market price per share of FNIS common stock that was issued to Micro General minority stockholders in this transaction exceeded the Company's carrying amount per share of FNIS common stock, resulting in an increase of $98.7 million to the Company's consolidated equity and an increase in net assets, the majority of which was goodwill.

H. Income Taxes, page F-20

46. Please explain to us why your "Insurance reserve discounting" line items presented in the tables on pages F-20 and F-21 changed from a significant asset in the prior year to a significant liability in the current year.

The Company's claims reserve for income tax purposes is principally based on statutory premium reserves as accounted for under statutory accounting principles ("SAP"), which are reported on its annual statement filings for insurance companies. These reserves are derived from a mechanical computation based on insurance premiums. These reserves are then amortized over a period of several years as required under the formulaic calculations of the state of domicile for each of the various insurance companies in Fidelity National Title Group, Inc.

The claims reserve as reported in the Company's annual financial statements is the estimate of claims incurred to date plus its estimate of claims incurred but not reported based on actuarial methodologies. Thus, the reserve basis under generally accepted accounting principles and those used under SAP are substantially different. The titles in the footnote on F-21 and F-22 should more appropriately reflect “insurance reserve basis differences” and have been adjusted accordingly in the amended registration statement.

Over the last few years, the Company has experienced an increase in the volume of premiums written, which in turn has increased its claims reserves for tax purposes at a rate faster than its claims reserve for book purposes. Accordingly, the difference between the book and tax claims liability reserves has changed as a result and, in fact, the deferred tax balances have converted from a liability to asset position.

J. Commitments and Contingencies, pages F-22 – F-24

47. We note your disclosure regarding several pending lawsuits. It is unclear whether or not the losses relating to these lawsuits are probable and estimable. For each pending lawsuit disclosed where a complaint has been filed against you, please provide us the information that should have been disclosed per paragraphs 9 and 10 of SFAS 5. The disclosure should include, at a minimum should include (sic.) what the other party in the lawsuit is seeking. To the extent settlements are material, include a discussion of those amounts as well.

See response to comment 26.

L. Employee Benefit Plans, page F-25

Stock Option Plans, page F-26

48. In the first paragraph on page F-27 you make the statement that “other disclosures required by SFAS No. 123 have not been provided because the SFAS No. 123 pro forma expense disclosures were prepared based upon an allocation methodology that allocates to the Company expenses associated with portions of individual awards, rather than entire awards.” Please better explain to us what this means and why you feel that it precludes your ability to provide this information.

Compensation expense related to FNF stock awards has been allocated to the Company based upon the corporate allocation methodology. The Company has not provided certain disclosures required by Paragraphs 47 and 48 of SFAS No. 123, as amended by SFAS No. 148, primarily due to the fact that the compensation expense charged to the Company was based upon an allocation methodology and is not associated with entire individual awards which makes coming up with certain disclosures required by these paragraphs impractical. The Company does not believe that the amount of options outstanding, the various assumptions surrounding the calculations, and the information relating to options exercisable and their contractual lives to be relevant to FNT, as these awards are to be issued as stock of FNF and not of the Company. Also, the Company will not receive the proceeds or the tax benefits relating to these stock based awards. For this reason, the Company does not believe this disclosure will provide meaningful information to the reader regarding the potential dilution to the Company upon exercise of these awards.

Item 16. Exhibits and Financial Statement Schedules, page II-2

49. We note several of your exhibits are not yet filed. Please be aware that once these exhibits are filed, we will need time to examine them prior to effectiveness, and we may have comments on them.

The Company respectfully acknowledges the Staff's comment.

Supplemental Schedules, page II-4

50. Please provide to us your analysis related to the decision to not include the information required by Schedule II as required by Rule 7-05 of Regulation S-X.

The Company did not provide Schedule II as required by Rule 7-05 of Regulation S-X due to the fact that during historical periods presented there was no parent company that held the ownership of these entities. The historical financial statements are combined financial statements and not consolidated financial statements. Once the holding company is in place and all the appropriate subsidiaries are included in the Company, the Company will include Schedule II as required.

Thank you for your consideration. If you have any further questions or comments, please contact me at (212) 424-8088.

Very truly yours,

/s/ Robert S. Rachofsky
Robert S. Rachofsky